

SYMANTEC CORP (SYMC)

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10-Q

Quarterly report pursuant to sections 13 or 15(d)
Filed on 8/4/2010
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UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Form 10-Q

(Mark One)

- QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the Quarterly Period Ended July 2, 2010
- or
- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the Transition Period from _____ to _____
Commission File Number 000-17781

Symantec Corporation

(Exact name of the registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)

**350 Ellis Street,
Mountain View, California**
(Address of principal executive offices)

77-0181864
(I.R.S. employer identification no.)

94043
(Zip Code)

**Registrant's telephone number, including area code:
(650) 527-8000**

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No
Shares of Symantec common stock, \$0.01 par value per share, outstanding as of July 30, 2010: 789,341,729 shares.

SYMANTEC CORPORATION
FORM 10-Q
Quarterly Period Ended July 2, 2010
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PART I. FINANCIAL INFORMATION
SYMANTEC CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS

| | <u>July 2,</u> <u>2010</u> | <u>April 2,</u> <u>2010 *</u> |
|---|-------------------------------|----------------------------------|
| | <u>(Unaudited)</u> | |
| | (In millions) | |
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 2,726 | \$ 3,029 |
| Short-term investments | 13 | 15 |
| Trade accounts receivable, net | 573 | 856 |
| Inventories | 22 | 25 |
| Deferred income taxes | 172 | 176 |
| Other current assets | 249 | 250 |
| Total current assets | 3,755 | 4,351 |
| Property and equipment, net | 935 | 949 |
| Intangible assets, net | 1,172 | 1,179 |
| Goodwill | 4,860 | 4,605 |
| Investment in joint venture | 51 | 58 |
| Other long-term assets | 93 | 90 |
| Total assets | \$ 10,866 | \$ 11,232 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current liabilities: | | |
| Accounts payable | \$ 213 | \$ 214 |
| Accrued compensation and benefits | 284 | 349 |
| Deferred revenue | 2,650 | 2,835 |
| Convertible senior notes | 1,044 | — |
| Income taxes payable | 46 | 35 |
| Other current liabilities | 293 | 338 |
| Total current liabilities | 4,530 | 3,771 |
| Long-term convertible senior notes | 853 | 1,871 |
| Long-term deferred revenue | 348 | 371 |
| Long-term deferred tax liabilities | 186 | 195 |
| Long-term income taxes payable | 358 | 426 |
| Other long-term obligations | 53 | 50 |
| Total liabilities | 6,328 | 6,684 |
| Commitments and contingencies | | |
| Stockholders' equity: | | |
| Common stock | 8 | 8 |
| Additional paid-in capital | 8,813 | 8,990 |
| Accumulated other comprehensive income | 165 | 159 |
| Accumulated deficit | (4,448) | (4,609) |
| Total stockholders' equity | 4,538 | 4,548 |
| Total liabilities and stockholders' equity | \$ 10,866 | \$ 11,232 |

* Derived from audited financial statements.
The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of these financial statements.

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CONDENSED CONSOLIDATED STATEMENTS OF INCOME

| | Three Months Ended | |
|--|--------------------------------------|-------------------|
| | July 2, 2010 | July 3, 2009 * |
| | (Unaudited) | |
| | (In millions, except per share data) | |
| Net revenue: | | |
| Content, subscription, and maintenance | \$ 1,248 | \$ 1,209 |
| License | 185 | 223 |
| Total net revenue | 1,433 | 1,432 |
| Cost of revenue: | | |
| Content, subscription, and maintenance | 217 | 209 |
| License | 3 | 5 |
| Amortization of acquired product rights | 45 | 98 |
| Total cost of revenue | 265 | 312 |
| Gross profit | 1,168 | 1,120 |
| Operating expenses: | | |
| Sales and marketing | 573 | 559 |
| Research and development | 208 | 221 |
| General and administrative | 92 | 89 |
| Amortization of other purchased intangible assets | 61 | 62 |
| Restructuring and transformation | 40 | 34 |
| Loss and impairment of assets held for sale | — | 3 |
| Total operating expenses | 974 | 968 |
| Operating income | 194 | 152 |
| Interest income | 2 | 2 |
| Interest expense | (33) | (32) |
| Other income, net | 1 | 6 |
| Income before income taxes and loss from joint venture | 164 | 128 |
| (Benefit) provision for income taxes | (4) | 42 |
| Loss from joint venture | 7 | 12 |
| Net income | \$ 161 | \$ 74 |
| Net income per share — basic | \$ 0.20 | \$ 0.09 |
| Net income per share — diluted | \$ 0.20 | \$ 0.09 |
| Weighted-average shares outstanding — basic | 796 | 816 |
| Weighted-average shares outstanding — diluted | 805 | 827 |

*

As adjusted for the impact of our joint venture's adoption of new authoritative guidance on revenue recognition during the fourth quarter of fiscal 2010 as of the first quarter of fiscal 2010.

The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of these financial statements.

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SYMANTEC CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

| | Three Months Ended | |
|---|---------------------------|-----------------------|
| | July 2, 2010 | July 3, 2009 * |
| | (Unaudited) | |
| | (In millions) | |
| OPERATING ACTIVITIES: | | |
| Net income | \$ 161 | \$ 74 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation and amortization | 167 | 221 |
| Amortization of discount on senior convertible notes | 27 | 25 |
| Stock-based compensation expense | 35 | 49 |
| Deferred income taxes | 10 | 11 |
| Income tax benefit from the exercise of stock options | (3) | (1) |
| Excess income tax benefit from the exercise of stock options | (1) | (3) |
| Loss from joint venture | 7 | 12 |
| Other | 2 | 6 |
| Net change in assets and liabilities, excluding effects of acquisitions: | | |
| Trade accounts receivable, net | 285 | 229 |
| Inventories | 3 | 4 |
| Accounts payable | 4 | 16 |
| Accrued compensation and benefits | (68) | (90) |
| Deferred revenue | (177) | (142) |
| Income taxes payable | (76) | (19) |
| Other assets | — | (22) |
| Other liabilities | (41) | 1 |
| Net cash provided by operating activities | 335 | 371 |
| INVESTING ACTIVITIES: | | |
| Purchase of property and equipment | (52) | (54) |
| Proceeds from sale of property and equipment | — | 2 |
| Cash (payments for) returned from acquisitions, net of cash acquired | (362) | 3 |
| Purchase of equity investments | (6) | (16) |
| Purchases of available-for-sale securities | — | (2) |
| Proceeds from sales of available-for-sale securities | 2 | 183 |
| Net cash (used in) provided by investing activities | (418) | 116 |
| FINANCING ACTIVITIES: | | |
| Net proceeds from sales of common stock under employee stock benefit plans | 10 | 11 |
| Excess income tax benefit from the exercise of stock options | 1 | 3 |
| Tax payments related to restricted stock issuance | (17) | (18) |
| Repurchase of common stock | (200) | (123) |
| Repayment of other long-term liability | (1) | (1) |
| Net cash used in financing activities | (207) | (128) |
| Effect of exchange rate fluctuations on cash and cash equivalents | (13) | 40 |
| Change in cash and cash equivalents | (303) | 399 |
| Beginning cash and cash equivalents | 3,029 | 1,793 |
| Ending cash and cash equivalents | \$ 2,726 | \$ 2,192 |

* As adjusted for the impact of our joint venture's adoption of new authoritative guidance on revenue recognition during the fourth quarter of fiscal 2010 as of the first quarter of fiscal 2010.

The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of these financial statements.

SYMANTEC CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 1. Basis of Presentation

The condensed consolidated financial statements of Symantec Corporation (“we,” “us,” “our,” and “the Company” refer to Symantec Corporation and all of its subsidiaries) as of July 2, 2010 and April 2, 2010, and for the three months ended July 2, 2010 and July 3, 2009, have been prepared in accordance with the instructions on Form 10-Q pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”). In accordance with those rules and regulations, we have omitted certain information and notes normally provided in our annual consolidated financial statements. In the opinion of management, the condensed consolidated financial statements contain all adjustments, consisting only of normal recurring items, except as otherwise noted, necessary for the fair presentation of our financial position and results of operations for the interim periods. The condensed consolidated financial statements for the three months ended July 3, 2009 have been adjusted for the impact of our joint venture’s adoption of new authoritative guidance on revenue recognition during the fourth quarter of fiscal 2010 as of the first quarter of fiscal 2010. These condensed consolidated financial statements should be read in conjunction with the Consolidated Financial Statements and Notes thereto included in our Annual Report on Form 10-K for the fiscal year ended April 2, 2010. The results of operations for the three months ended July 2, 2010 are not necessarily indicative of the results expected for the entire fiscal year. All significant intercompany accounts and transactions have been eliminated.

Fiscal Year End

We have a 52/53-week fiscal accounting year ending on the Friday closest to March 31. The three months ended July 2, 2010 and July 3, 2009 both consisted of 13 weeks. Our 2011 fiscal year consists of 52 weeks and ends on April 1, 2011.

Significant Accounting Policies

There have been no changes in our significant accounting policies for the three months ended July 2, 2010 as compared to the significant accounting policies described in our Annual Report on Form 10-K for the fiscal year ended April 2, 2010.

Recently Adopted Authoritative Guidance

In the first quarter of fiscal 2011, we adopted new authoritative guidance which changes the model for determining whether an entity should consolidate a variable interest entity (“VIE”). The standard replaces the quantitative-based risks and rewards calculation for determining which enterprise has a controlling financial interest in a VIE with an approach focused on identifying which enterprise has the power to direct the activities of a VIE and the obligation to absorb losses of the entity or the right to receive the entity’s residual returns. The adoption of this guidance did not have an impact on our consolidated financial statements for the three months ended July 2, 2010.

Note 2. Fair Value Measurements

We measure assets and liabilities at fair value based on an expected exit price as defined by the authoritative guidance on fair value measurements, which represents the amount that would be received on the sale of an asset or paid to transfer a liability, as the case may be, in an orderly transaction between market participants. As such, fair value may be based on assumptions that market participants would use in pricing an asset or liability. The authoritative guidance on fair value measurements establishes a consistent framework for measuring fair value on either a recurring or nonrecurring basis whereby inputs, used in valuation techniques, are assigned a hierarchical level. The following are the hierarchical levels of inputs to measure fair value:

- *Level 1:* Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.
- *Level 2:* Observable inputs that reflect quoted prices for identical assets or liabilities in markets that are not active; quoted prices for similar assets or liabilities in active markets; inputs other than quoted prices that are observable for the assets or liabilities; or inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- *Level 3:* Unobservable inputs reflecting our own assumptions incorporated in valuation techniques used to determine fair value. These assumptions are required to be consistent with market participant assumptions that are reasonably available.

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All of our financial instruments are measured and recorded at fair value. For certain financial instruments, including cash and cash equivalents, accounts payable and other current liabilities, the carrying value approximates the fair value due to the relative short maturity of these instruments. For our other financial instruments and/or financial assets, specifically short-term investments, the fair value is determined using different assumptions as outlined above. Our equity investments (\$28 million as of July 2, 2010) are carried at cost and measured at fair value when indicators of potential impairment exist. Our convertible senior notes and credit facility are carried at cost and fair value measurements are made on a nonrecurring basis.

Assets Measured and Recorded at Fair Value on a Recurring Basis

The following table summarizes our assets that are measured at fair value on a recurring basis, by level, within the fair value hierarchy:

| | As of July 2, 2010 | | | | As of April 2, 2010 | | | |
|------------------------------|--------------------|---------------|-------------|-----------------|---------------------|---------------|-------------|-----------------|
| | Level 1 | Level 2 | Level 3 | Total | Level 1 | Level 2 | Level 3 | Total |
| | (In millions) | | | | | | | |
| Cash equivalents: | | | | | | | | |
| Money market funds | \$ 1,856 | \$ — | \$ — | \$ 1,856 | \$ 2,046 | \$ — | \$ — | \$ 2,046 |
| Bank securities and deposits | — | 199 | — | 199 | — | 216 | — | 216 |
| Government securities | — | 23 | — | 23 | — | 116 | — | 116 |
| Total | \$ 1,856 | \$ 222 | \$ — | \$ 2,078 | \$ 2,046 | \$ 332 | \$ — | \$ 2,378 |

Level 1 available-for-sale securities are based on quoted market prices of the identical underlying security. Level 2 available-for-sale securities are priced using quoted market prices for similar instruments and nonbinding market prices that are corroborated by observable market data.

Note 3. Acquisitions

PGP Acquisition

On June 4, 2010, we completed the acquisition of PGP Corporation (“PGP”), a nonpublic provider of email and data encryption software. In exchange for all of the voting equity interests of PGP, we paid a total purchase price of \$306 million, excluding cash acquired. The results of operations of PGP are included since the date of acquisition as part of the Security and Compliance segment. Supplemental pro forma information for PGP was not material to our financial results and was therefore not included. For the three months ended July 2, 2010, we recorded acquisition-related transaction costs of \$3 million, which were included in general and administrative expense.

The following table presents the purchase price allocation included in our Condensed Consolidated Balance Sheet (*in millions*):

| | |
|------------------------------------|---------------|
| Net tangible assets ⁽¹⁾ | \$ 7 |
| Intangible assets ⁽²⁾ | 74 |
| Goodwill ⁽³⁾ | 225 |
| Total purchase price | \$ 306 |

(1) Net tangible assets included deferred revenue which was adjusted down from \$55 million to \$9 million representing our estimate of the fair value of the contractual obligation assumed for support services.

(2) Intangible assets included customer relationships of \$29 million, developed technology of \$39 million, and definite-lived tradenames of \$3 million, which have weighted-average estimated useful lives of 8.0 years, 5.0 years and 2.0 years, respectively. These intangible assets are amortized over their estimated useful lives of two to eight years. These intangible assets also included in-process research and development (“IPR&D”) of \$3 million, which is classified as an indefinite-lived intangible asset until the project is completed or abandoned.

(3) Goodwill is not tax deductible. The amount resulted primarily from our expectation of synergies from the integration of PGP product offerings with our product offerings.

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GuardianEdge Acquisition

On June 3, 2010, we completed the acquisition of a GuardianEdge Technologies, Inc. (“GuardianEdge”), a nonpublic provider of email and data encryption software. In exchange for all the voting equity interests, we paid a total purchase price of \$73 million, excluding cash acquired. This includes \$1 million in assumed equity awards at fair value. The results of operations of GuardianEdge are included since the date of acquisition as part of the Security and Compliance segment. Supplemental pro forma information for GuardianEdge was not material to our financial results and was therefore not included. For the three months ended July 2, 2010, we recorded acquisition-related transaction costs of \$1 million, which were included in general and administrative expense.

The following table presents the purchase price allocation included in our Condensed Consolidated Balance Sheet (*in millions*):

| | | |
|------------------------------------|----|----|
| Net tangible assets ⁽¹⁾ | \$ | 3 |
| Intangible assets ⁽²⁾ | | 30 |
| Goodwill ⁽³⁾ | | 40 |
| Total purchase price | \$ | 73 |

(1) Net tangible assets included deferred revenue which was adjusted down from \$17 million to \$2 million representing our estimate of the fair value of the contractual obligation assumed for support services.

(2) Intangible assets included customer relationships of \$19 million and developed technology of \$11 million, which have weighted-average estimated useful lives of 9.0 years and 5.0 years, respectively. These intangible assets are amortized over their estimated useful lives of five to nine years.

(3) Goodwill is not tax deductible. The amount resulted primarily from our expectation of synergies from the integration of GuardianEdge product offerings with our product offerings.

Note 4. Goodwill and Intangible Assets

Goodwill

Goodwill is allocated by reportable segment as follows:

| | <u>Consumer</u> | <u>Security and Compliance</u> | <u>Storage and Server Management</u> | <u>Services</u> | <u>Total</u> |
|--|-----------------|------------------------------------|--|-----------------|--------------|
| Balance as of April 2, 2010 | \$ 356 | \$ 1,582 | \$ 2,648 | \$ 19 | \$ 4,605 |
| Goodwill acquired through business combinations ⁽¹⁾ | — | 265 | — | — | 265 |
| Goodwill adjustments ⁽²⁾ | (10) | — | — | — | (10) |
| Balance as of July 2, 2010 | \$ 346 | \$ 1,847 | \$ 2,648 | \$ 19 | \$ 4,860 |

(1) See Note 3 for acquisitions.

(2) Reflects adjustments made to goodwill as a result of foreign currency exchange rate fluctuations.

We apply a fair value based impairment test to the carrying value of goodwill and indefinite-lived intangible assets on an annual basis in the fourth quarter of each fiscal year or earlier if indicators of impairment exist. As of July 2, 2010, no indicators of impairment were identified.

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Intangible assets, net

| As of July 2, 2010 | | | | |
|-----------------------------|------------------------------|---------------------------------|----------------------------|---|
| | <u>Gross Carrying Amount</u> | <u>Accumulated Amortization</u> | <u>Net Carrying Amount</u> | <u>Weighted-Average Remaining Useful Life</u> |
| | (\$ in millions) | | | |
| Customer relationships | \$ 1,885 | \$ (1,030) | \$ 855 | 4 years |
| Developed technology | 1,683 | (1,500) | 183 | 2 years |
| Definite-lived tradenames | 131 | (70) | 61 | 5 years |
| Patents | 75 | (56) | 19 | 3 years |
| Indefinite-lived tradenames | 51 | — | 51 | Indefinite |
| Indefinite-lived IPR&D | 3 | — | 3 | Indefinite |
| Total | \$ 3,828 | \$ (2,656) | \$ 1,172 | 4 years |

| As of April 2, 2010 | | | | |
|-----------------------------|------------------------------|---------------------------------|----------------------------|---|
| | <u>Gross Carrying Amount</u> | <u>Accumulated Amortization</u> | <u>Net Carrying Amount</u> | <u>Weighted-Average Remaining Useful Life</u> |
| | (\$ in millions) | | | |
| Customer relationships | \$ 1,839 | \$ (973) | \$ 866 | 4 years |
| Developed technology | 1,635 | (1,458) | 177 | 1 year |
| Definite-lived tradenames | 128 | (66) | 62 | 5 years |
| Patents | 75 | (54) | 21 | 3 years |
| Indefinite-lived tradenames | 53 | — | 53 | Indefinite |
| Total | \$ 3,730 | \$ (2,551) | \$ 1,179 | 3 years |

During the three months ended July 2, 2010 and July 3, 2009, total amortization expense for intangible assets was \$106 million and \$160 million, respectively.

Total future amortization expense for intangible assets that have definite lives, based on our existing intangible assets and their current estimated useful lives as of July 2, 2010, is estimated as follows (*in millions*):

| | |
|--------------------------|-----------------|
| Remainder of fiscal 2011 | \$ 247 |
| 2012 | 311 |
| 2013 | 278 |
| 2014 | 134 |
| 2015 | 80 |
| Thereafter | 68 |
| Total | \$ 1,118 |

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Note 5. Supplemental Financial Information Property and Equipment

| | As of | |
|---|-----------------|------------------|
| | July 2, 2010 | April 2, 2010 |
| | (In millions) | |
| <i>Property and equipment, net:</i> | | |
| Computer hardware and software | \$ 1,273 | \$ 1,237 |
| Office furniture and equipment | 186 | 185 |
| Buildings | 440 | 440 |
| Leasehold improvements | 236 | 245 |
| | 2,135 | 2,107 |
| Less: accumulated depreciation and amortization | (1,345) | (1,299) |
| | 790 | 808 |
| Construction in progress | 74 | 70 |
| Land | 71 | 71 |
| Property and equipment, net: | \$ 935 | \$ 949 |

Depreciation expense was \$59 million and \$60 million for the three months ended July 2, 2010 and July 3, 2009, respectively.

Comprehensive Income

The components of comprehensive income, net of tax, are as follows:

| | Three Months Ended | |
|--|--------------------|-----------------|
| | July 2, 2010 | July 3, 2009 |
| | (In millions) | |
| Net income | \$ 161 | \$ 74 |
| Foreign currency translation adjustments: | | |
| Translation adjustments arising during the period, net | 6 | 5 |
| Unrealized gain on available-for-sale securities | — | 3 |
| Other comprehensive income | 6 | 8 |
| Comprehensive income | \$ 167 | \$ 82 |

Note 6. Restructuring

Our restructuring costs and liabilities consist of severance, benefits, facilities and other costs. Severance and benefits generally include severance, outplacement services, health insurance coverage, effects of foreign currency exchange, and legal costs. Facilities costs generally include rent expense, less expected sublease income, and lease termination costs. Also included in Restructuring in our Condensed Consolidated Statements of Income are transition and transformation fees, consulting services, and other costs related to the outsourcing of back office functions. Restructuring expenses are included in the Other reporting segment.

Charges for restructuring costs were \$40 million and \$34 million for the three months ended July 2, 2010 and July 3, 2009, respectively. These amounts include transition, transformation, consulting and other related costs of \$5 million and \$11 million for the three months ended July 2, 2010 and July 3, 2009, respectively. Transition and transformation related activities are expected to be substantially completed in the second half of fiscal 2011. Total remaining costs for transition and transformation activities are estimated to range from approximately \$10 million to \$15 million.

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Restructuring Plans

The following details restructuring plans that management has committed to and are not substantially completed:

2011 Restructuring Plan (“2011 Plan”)

In the first quarter of fiscal 2011, management approved and initiated the following restructuring events:

- *Expansion of Consulting partner sales and delivery capabilities.* This action was initiated to expand our partner eco-system to better leverage their customer reach and operational scale, which will result in a headcount reduction within our consulting services organization. It is intended for Symantec customers to have greater choice in their providers for technology services. These actions are expected to be substantially completed in the second half of fiscal 2011 and the total remaining costs for severance and benefits are estimated to range from \$40 million to \$50 million.

2010 Restructuring Plan (“2010 Plan”)

In the fourth quarter of fiscal 2010, management approved and initiated the following restructuring events:

- *Reduce operating costs through a workforce realignment.* This action was initiated to more appropriately allocate resources to the Company’s key strategic initiatives. Charges related to this action are for severance and benefits. These actions are expected to be substantially completed in the second half of fiscal 2011. Total remaining costs for severance and benefits are estimated to range from \$40 million to \$60 million.
- *Reduce operating costs through a facilities consolidation.* This action was initiated to streamline our operations and deliver better and more efficient support to our customers and employees. Charges related to this action are for consolidating certain facilities in North America and Europe. These actions are expected to be substantially completed in the second half of fiscal 2011. Total remaining costs for facilities are estimated to range from \$25 million to \$35 million.

2008 Restructuring Plan (“2008 Plan”)

In the third quarter of fiscal 2008, management approved and initiated the following restructuring events:

- *Reduce operating costs through a worldwide headcount reduction.* This action was initiated in the third quarter of fiscal 2008 and was substantially completed in the fourth quarter of fiscal 2008. Charges related to this action are for severance and benefits. Total remaining headcount reduction costs are not expected to be significant.
- *Reduce operating costs, implement management structure changes, optimize the business structure, and discontinue certain products.* Charges related to these actions are for severance and benefits. These actions were initiated in the third quarter of fiscal 2008 and are expected to be substantially completed in the second half of fiscal 2011. Total remaining costs for the severance and benefits are estimated to be up to \$5 million.
- *Outsource certain back office functions worldwide.* Charges related to these actions are primarily for severance and benefits. These actions were initiated in the second quarter of fiscal 2009 and are expected to be substantially completed in the second half of fiscal 2011. Total remaining costs for severance and benefits are expected to range from \$5 million to \$10 million.

Acquisition-related Plans

As a result of business acquisitions, management may deem certain job functions to be redundant and facilities to be in excess either at the time of acquisition or for a period of time after the acquisition in conjunction with our integration efforts. As of July 2, 2010, acquisition-related restructuring liabilities, primarily related to excess facility obligations at several locations around the world, are expected to be paid over the respective lease terms, the longest of which extends through fiscal 2018.

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Restructuring Summary

| | Restructuring Liability | | | | |
|---|--------------------------------|--|---|-------------------------|--|
| | <u>April 2, 2010</u> | <u>Costs, Net of Adjustments⁽¹⁾</u> | <u>Cash Payments</u> (In millions) | <u>July 2, 2010</u> | <u>Cumulative Incurred to Date</u> |
| 2011 Restructuring Plan: | | | | | |
| Severance | \$ — | \$ 4 | \$ (3) | \$ 1 | \$ 4 |
| 2010 Restructuring Plan: | | | | | |
| Severance | 20 | 17 | (28) | 9 | 40 |
| Facilities | — | 12 | (1) | 11 | 11 |
| 2008 Restructuring Plan: | | | | | |
| Severance | 3 | — | (2) | 1 | 96 |
| Acquisition-related Restructuring Plans: | | | | | |
| Severance | 1 | 2 | — | 3 | 4 |
| Facilities | 12 | — | (4) | 8 | 27 |
| Total | \$ 36 | \$ 35 | \$ (38) | \$ 33 | |
| Transition, transformation and other costs | | 5 | | | 54 |
| Total Restructuring Charges | | \$ 40 | | | |
| Balance Sheet: | | | | | |
| Other current liabilities | \$ 28 | | | \$ 20 | |
| Other long-term liabilities | 8 | | | 13 | |
| | \$ 36 | | | \$ 33 | |

(1) Total net adjustments or reversals were not material for the three months ended July 2, 2010.

Note 7. Commitments and Contingencies

Indemnification

As permitted under Delaware law, we have agreements whereby we agree to indemnify our officers and directors for certain events or occurrences while the officer or director is, or was, serving at our request in such capacity. The maximum potential amount of future payments we could be required to make under these indemnification agreements is not limited; however, we have directors' and officers' insurance coverage that reduces our exposure and may enable us to recover a portion of any future amounts paid. We believe the estimated fair value of these indemnification agreements in excess of applicable insurance coverage is minimal.

We provide limited product warranties, and the majority of our software license agreements contain provisions that indemnify licensees of our software from damages and costs resulting from claims alleging that our software infringes the intellectual property rights of a third party. Historically, payments made under these provisions have been immaterial. We monitor the conditions that are subject to indemnification to identify if a loss has occurred.

Litigation

For a discussion of our pending tax litigation with the Internal Revenue Service relating to the 2000 and 2001 tax years of Veritas, see Note 11.

On July 7, 2004, a purported class action complaint entitled Paul Kuck, et al. v. Veritas Software Corporation, et al. was filed in the United States District Court for the District of Delaware. The lawsuit alleges violations of federal securities laws in connection with Veritas' announcement on July 6, 2004 that it expected results of operations for the fiscal quarter ended June 30, 2004 to fall below earlier estimates. The complaint generally seeks an unspecified amount of damages. Subsequently, additional purported class action complaints have been filed in Delaware federal court, and, on March 3, 2005, the Court entered an order consolidating these actions and appointing lead plaintiffs and counsel. A consolidated amended complaint ("CAC"), was filed on May 27, 2005, expanding the class period from April 23, 2004 through July 6, 2004. The CAC also named another officer as a defendant and added allegations that Veritas and the named officers made false or misleading statements in press releases and SEC filings regarding the company's financial results, which allegedly contained revenue recognized from contracts that were unsigned or lacked essential terms. The

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defendants to this matter filed a motion to dismiss the CAC in July 2005; the motion was denied in May 2006. In April 2008, the parties filed a stipulation of settlement. On July 31, 2008, the Court held a final approval hearing and, on August 5, 2008, the Court entered an order approving the settlement. An objector to the fees portion of the settlement has lodged an appeal. In fiscal 2008, we recorded an accrual in the amount of \$21.5 million for this matter and, pursuant to the terms of the settlement, we established a settlement fund of \$21.5 million on May 1, 2008.

We are also involved in a number of other judicial and administrative proceedings that are incidental to our business. Although adverse decisions (or settlements) may occur in one or more of the cases, it is not possible to estimate the possible loss or losses from each of these cases. The final resolution of these lawsuits, individually or in the aggregate, is not expected to have a material adverse effect on our financial condition or results of operations.

Note 8. Stock Repurchases

The following table summarizes our stock repurchases:

| | Three Months Ended July 2, 2010 |
|-------------------------------------|---|
| | (In millions, except per share data) |
| Total number of shares repurchased | 14 |
| Dollar amount of shares repurchased | \$ 200 |
| Average price paid per share | \$ 14.49 |
| Range of price paid per share | \$ 13.81 to 15.31 |

We have had stock repurchase programs in the past and have repurchased shares on a quarterly basis since the fourth quarter of fiscal 2004 under new and existing programs. Our most recent program was authorized by our Board of Directors on October 27, 2009 to repurchase up to \$1 billion of our common stock. This program does not have an expiration date, and as of July 2, 2010, \$547 million remained authorized for future repurchases.

Note 9. Segment Information

As of July 2, 2010, our five reportable segments are the same as our operating segments and are as follows:

- *Consumer.* Our Consumer segment focuses on delivering our Internet security, PC tune-up, and backup products to individual users and home offices.
- *Security and Compliance.* Our Security and Compliance segment focuses on providing large, medium, and small-sized businesses with solutions for endpoint security and management, compliance, messaging management, and data loss prevention solutions. These products allow our customers to secure, provision, and remotely access their laptops, PCs, mobile devices, and servers. We also provide our customers with solutions delivered through our Software-as-a-Service ("SaaS") security offerings.
- *Storage and Server Management.* Our Storage and Server Management segment focuses on providing large, medium and small-sized businesses with storage and server management, backup, archiving, and data protection solutions across heterogeneous storage and server platforms, as well as solutions delivered through our SaaS offerings.
- *Services.* Our Services segment provides customers with implementation services and solutions designed to assist them in maximizing the value of their Symantec software. Our offerings include consulting, business critical services, education, and managed security services.
- *Other.* Our Other segment is comprised of sunset products and products nearing the end of their life cycle. It also includes general and administrative expenses; amortization of acquired product rights, intangible assets, and other assets; goodwill impairment charges; charges such as stock-based compensation and restructuring; and certain indirect costs that are not charged to the other operating segments. Our provision for income taxes, loss from joint venture, and non-operating items, such as interest income and interest expense, are also allocated to this segment.

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The accounting policies of the segments are described in our Annual Report on Form 10-K for the fiscal year ended April 2, 2010 and have not changed as of July 2, 2010. There were no intersegment sales for the three months ended July 2, 2010.

Segment information

The following table summarizes our operating segments:

| | <u>Consumer</u> | <u>Security and Compliance</u> | <u>Storage and Server Management</u> | <u>Services</u> | <u>Other</u> | <u>Total Company</u> |
|---|------------------|--------------------------------|--------------------------------------|-----------------|--------------|----------------------|
| | (\$ in millions) | | | | | |
| Three months ended July 2, 2010: | | | | | | |
| Net revenue | \$ 473 | \$ 340 | \$ 524 | \$ 96 | \$ — | \$ 1,433 |
| Percentage of total net revenue | 33% | 24% | 36% | 7% | 0% | 100% |
| Operating income (loss) | 225 | 78 | 240 | 4 | (353) | 194 |
| Operating margin of segment | 48% | 23% | 46% | 4% | * | |
| Three months ended July 3, 2009: | | | | | | |
| Net revenue | \$ 447 | \$ 336 | \$ 553 | \$ 96 | \$ — | \$ 1,432 |
| Percentage of total net revenue | 31% | 23% | 39% | 7% | 0% | 100% |
| Operating income (loss) | 223 | 78 | 261 | 5 | (415) | 152 |
| Operating margin of segment | 50% | 23% | 47% | 5% | * | |

* Percentage not meaningful

Note 10. Stock-based Compensation

The following table summarizes the total stock-based compensation expense recognized in our Condensed Consolidated Statements of Income:

| | <u>Three Months Ended</u> | |
|--|--------------------------------------|---------------------|
| | <u>July 2, 2010</u> | <u>July 3, 2009</u> |
| | (In millions, except per share data) | |
| Cost of revenue — Content, subscription, and maintenance | \$ 3 | \$ 4 |
| Cost of revenue — License | 1 | 1 |
| Sales and marketing | 14 | 18 |
| Research and development | 10 | 17 |
| General and administrative | 7 | 9 |
| Total stock-based compensation expense | 35 | 49 |
| Tax benefit associated with stock-based compensation expense | (10) | (13) |
| Net stock-based compensation expense | \$ 25 | \$ 36 |
| Net stock-based compensation expense per share — basic | \$ 0.03 | \$ 0.04 |
| Net stock-based compensation expense per share — diluted | \$ 0.03 | \$ 0.04 |

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The following table summarizes additional information pertaining to our stock-based compensation:

| | Three Months Ended | |
|---|--------------------|-----------------|
| | July 2, 2010 | July 3, 2009 |
| (\$ in millions, except per grant data) | | |
| Restricted stock units ("RSUs") | | |
| Weighted-average fair value per grant | \$ 14.52 | \$ 15.38 |
| Fair value of RSUs granted | 118 | 145 |
| Total fair value of RSUs vested ⁽¹⁾ | 63 | 63 |
| Total unrecognized compensation expense | 197 | 132 |
| Weighted-average remaining vesting period | 3 years | 3 years |
| Stock options | | |
| Weighted-average fair value per grant | \$ 3.99 | \$ 5.16 |
| Total intrinsic value of stock options exercised ⁽¹⁾ | 7 | 15 |
| Total unrecognized compensation expense | 45 | 80 |
| Weighted-average remaining vesting period | 3 years | 2 years |

(1) Includes awards assumed in business combinations

Note 11. Income Taxes

The effective tax rate was approximately (2) % and 33% for the three months ended July 2, 2010 and July 3, 2009, respectively.

The tax expense for the three months ended July 2, 2010 was significantly reduced by the following benefits recognized in the first quarter of fiscal 2011: (1) \$38.5 million additional tax benefit arising from the *Veritas v. Commissioner* Tax Court decision (see further discussion below), and (2) \$10.5 million tax benefit from current quarter discrete events primarily related to tax settlements and lapses of statutes of limitations. The tax expense for the three months ended July 3, 2009 included a \$7 million tax expense related to the U.S. tax treatment of certain stock based compensation under *Xilinx v. Commissioner* (see further discussion below).

The provision for both three-month periods ended July 2, 2010 and July 3, 2009 otherwise reflects a forecast tax rate of 27%. The forecast tax rates for both periods presented reflect the benefits of lower-taxed foreign earnings and losses from our joint venture with Huawei ("joint venture"), domestic manufacturing incentives, and research and development credits (the U.S. federal R&D tax credit expired on December 31, 2009), partially offset by state income taxes.

On May 27, 2009, the U.S. Court of Appeals for the Ninth Circuit overturned a 2005 U.S. Tax Court ruling in *Xilinx v. Commissioner*, holding that stock-based compensation related R&D must be shared by the participants of a R&D cost sharing arrangement. The Ninth Circuit held that related parties to such an arrangement must share stock option costs, notwithstanding the U.S. Tax Court's finding that unrelated parties in such an arrangement would not share such costs. Symantec has a similar R&D cost sharing arrangement in place. The Ninth Circuit's reversal of the U.S. Tax Court's decision changed our estimate of stock option related tax benefits previously recognized under the authoritative guidance on income taxes. As a result of the Ninth Circuit's ruling, we increased our liability for unrecognized tax benefits, recording a tax expense of approximately \$7 million and a reduction of additional paid-in capital of approximately \$30 million in the first quarter of fiscal 2010. On January 13, 2010, the Ninth Circuit Court of Appeals withdrew its issued opinion. On March 22, 2010, the Ninth Circuit Court of Appeals issued a revised decision affirming the decision of the Tax Court. The Ninth Circuit's decision agreed with the Tax Court's finding that related companies are not required to share such costs. As a result of the Ninth Circuit's revised ruling, we released the liability established in our first quarter of fiscal 2010, which resulted in a \$7 million tax benefit and increase of additional paid-in capital of approximately \$30 million in the fourth quarter of fiscal 2010. For fiscal 2010, there was no net income tax expense impact.

On March 29, 2006, we received a Notice of Deficiency from the IRS claiming that we owe \$867 million of additional taxes, excluding interest and penalties, for the 2000 and 2001 tax years based on an audit of Veritas. On June 26, 2006, we filed a petition with the U.S. Tax Court protesting the IRS claim for such additional taxes. In the fourth quarter of fiscal 2007, we agreed to pay \$7 million out of \$35 million originally assessed by the IRS in connection with several of the lesser issues covered in the assessment. The IRS agreed to waive the assessment of penalties. During July 2008, we completed the trial phase of the Tax Court case, which dealt

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with the remaining issue covered in the assessment. At trial, the IRS changed its position with respect to this remaining issue, which decreased the remaining amount at issue from \$832 million to \$545 million, excluding interest. We filed our post-trial briefs in October 2008 and rebuttal briefs in November 2008 with the U.S. Tax Court.

On December 10, 2009, the U.S. Tax Court issued its opinion, finding that our transfer pricing methodology, with appropriate adjustments, was the best method for assessing the value of the transaction at issue between Veritas and its offshore subsidiary. The Tax Court judge provided guidance as to how adjustments would be made to correct the application of the method used by Veritas. We remeasured and decreased our liability for unrecognized tax benefits accordingly, resulting in a \$78.5 million tax benefit in the third quarter in fiscal 2010. The Tax Court ruling is subject to appeal. In June 2010, we reached an agreement with the IRS concerning the amount of the adjustment related to the U.S. Tax Court decision. As a result of the agreement, we further reduced our liability for unrecognized tax benefits, resulting in an additional \$38.5 million tax benefit in the first quarter in fiscal 2011.

In July 2008, we reached an agreement with the IRS concerning our eligibility to claim a lower tax rate on a distribution made from a Veritas foreign subsidiary prior to the July 2005 acquisition. The distribution was intended to be made pursuant to the American Jobs Creation Act of 2004, and therefore eligible for a 5.25% effective U.S. federal rate of tax, in lieu of the 35% statutory rate. The final impact of this agreement is not yet known since this relates to the taxability of earnings that are otherwise the subject of transfer pricing matters at issue in the IRS examination of Veritas tax years 2002–2005 (see discussion below). To the extent that we owe taxes as a result of these transfer pricing matters in years prior to the distribution, we anticipate that the incremental tax due from this negotiated agreement will decrease. We currently estimate that the most probable outcome from this negotiated agreement will be that we will owe \$13 million or less, for which an accrual has already been made.

On December 2, 2009, we received a Revenue Agent's Report from the IRS for the Veritas 2002 through 2005 tax years assessing additional taxes due. We agree with \$30 million of the tax assessment, excluding interest, but will contest the other \$80 million of tax assessed and all penalties. The unagreed issues concern transfer pricing matters comparable to the one that was resolved in our favor in the *Veritas v. Commissioner* Tax Court decision. On January 15, 2010, we filed a protest with the IRS in connection with the \$80 million of tax assessed and currently await a response from the IRS.

We continue to monitor the progress of ongoing tax controversies and the impact, if any, of the expected tolling of the statute of limitations in various taxing jurisdictions.

We made a payment of \$130 million to the IRS in May 2006 to address the Veritas matters described above for our 2000–2005 tax years.

Note 12. Earnings per Share

The components of earnings per share are as follows:

| | Three Months Ended | |
|--|--------------------------------------|-----------------|
| | July 2, 2010 | July 3, 2009 |
| | (In millions, except per share data) | |
| Net income per share — basic: | | |
| Net income | \$ 161 | \$ 74 |
| Net income per share — basic | \$ 0.20 | \$ 0.09 |
| Net income per share — diluted: | | |
| Net income | \$ 161 | \$ 74 |
| Net income per share — diluted | \$ 0.20 | \$ 0.09 |
| Weighted average outstanding common shares — basic | 796 | 816 |
| Shares issuable from assumed exercise of options | 5 | 8 |
| Dilutive impact of restricted stock and restricted stock units | 4 | 3 |
| Total weighted-average shares outstanding — diluted | 805 | 827 |
| Anti-dilutive weighted-average stock options | 54 | 56 |

The effect of the warrants issued and options purchased in connection with the convertible senior notes were excluded from earnings per share for the reasons discussed in our Annual Report on Form 10-K for the fiscal year ended April 2, 2010.

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Note 13. Subsequent Event

On May 19, 2010, we signed a definitive agreement to acquire certain assets of VeriSign, Inc. (“VeriSign”), a publicly-held US-based provider of internet authentication and domain naming services. The acquired assets relate to the authentication business of VeriSign. As part of the agreement, we will also acquire VeriSign’s 54% interest in VeriSign Japan KK. We anticipate a purchase price of approximately \$1.28 billion to be paid in cash related to this acquisition, which is subject to regulatory approvals and other closing conditions. We expect the acquisition to close during the second quarter of our fiscal 2011.

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Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations **Forward-Looking Statements and Factors That May Affect Future Results**

The discussion below contains forward-looking statements, which are subject to safe harbors under the Securities Act of 1933, as amended, or the Securities Act, and the Exchange Act. Forward-looking statements include references to our ability to utilize our deferred tax assets, as well as statements including words such as "expects," "plans," "anticipates," "believes," "estimates," "predicts," "projects," and similar expressions. In addition, statements that refer to projections of our future financial performance, anticipated growth and trends in our businesses and in our industries, the anticipated impacts of acquisitions, and other characterizations of future events or circumstances are forward-looking statements. These statements are only predictions, based on our current expectations about future events and may not prove to be accurate. We do not undertake any obligation to update these forward-looking statements to reflect events occurring or circumstances arising after the date of this report. These forward-looking statements involve risks and uncertainties, and our actual results, performance, or achievements could differ materially from those expressed or implied by the forward-looking statements on the basis of several factors, including those that we discuss in Risk Factors, set forth in Part I, Item 1A, of our annual report on Form 10-K for the fiscal year ended April 2, 2010. We encourage you to read that section carefully.

Fiscal Calendar

We have a 52/53-week fiscal accounting year ending on the Friday closest to March 31. The three months ended July 2, 2010 and July 3, 2009 both consisted of 13 weeks.

OVERVIEW

Our Business

Symantec is a global provider of security, storage, and systems management solutions that help businesses and consumers secure and manage their information. We provide customers worldwide with software and services that protect, manage and control information risks related to security, data protection, storage, compliance, and systems management. We help our customers manage cost, complexity, and compliance by protecting their IT infrastructure as they seek to maximize value from their IT investments.

Our Operating Segments

Our operating segments are significant strategic business units that offer different products and services, distinguished by customer needs. Since the fourth quarter of fiscal 2008, we have operated in five operating segments: Consumer, Security and Compliance, Storage and Server Management, Services, and Other. For further descriptions of our operating segments, see Note 9 of the Notes to Condensed Consolidated Financial Statements in this quarterly report. Our reportable segments are the same as our operating segments.

Financial Results and Trends

Revenue was flat for the three months ended July 2, 2010 as compared to the same period last year. During the end of the quarter sales were negatively impacted by the lengthening of procurement cycles driven by continued cautiousness among IT buyers. In particular, this affected sales of our storage management solutions given that these products are extensively utilized by our large enterprise customers. Offsetting this decline was growth in our Consumer business, driven by our multi-channel strategy. During the first quarter of fiscal 2011, we completed the transition to our internally-developed eCommerce platform for the company's Norton-branded consumer products worldwide, excluding Japan. The fees we had previously paid to Digital River had been recorded as an offset to revenue; however, we incur expenses resulting from our eCommerce platform that appear as a cost of revenue and an operating expense. We continued to experience significantly higher year-over-year OEM placement fee payments resulting from an increase in PC unit shipments on which our products are included.

Fluctuations in the U.S. dollar compared to foreign currencies unfavorably impacted our international revenue by approximately \$23 million for the three months ended July 2, 2010 as compared to the same period last year. We are unable to predict the extent to which revenue in future periods will be impacted by changes in foreign currency exchange rates. If our level of international sales and expenses increase in the future, changes in foreign exchange rates may have a potentially greater impact on our revenue and operating results.

Our net income was \$161 million for the three months ended July 2, 2010 and was positively impacted by a decrease of \$43 million in cost of revenue related to certain acquired product rights from our acquisition of Veritas becoming fully amortized during the first quarter of fiscal 2010. Net income was also positively impacted by \$49 million of tax benefits primarily resulting from the reversal of accrued liabilities related to the Veritas Software tax assessment for 2000 and 2001.

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Critical Accounting Estimates

There have been no changes in the matters for which we make critical accounting estimates in the preparation of our Condensed Consolidated Financial Statements during the three months ended July 2, 2010 as compared to those disclosed in Management's Discussion and Analysis of Financial Condition and Results of Operations included in our Annual Report on Form 10-K for the fiscal year ended April 2, 2010.

Recently Adopted Authoritative Guidance

Information with respect to Recently Adopted Authoritative Guidance is in Note 1 of Notes to Condensed Consolidated Financial Statements in this Form 10-Q, which information is incorporated herein by reference.

RESULTS OF OPERATIONS

Total Net Revenue

| | July 2, 2010 | July 3, 2009 | Three Months Ended | |
|-------------|-------------------------|-------------------------|---------------------------|----------|
| | | | Change in | |
| | | | \$ | % |
| | | | (\$ in millions) | |
| Net revenue | \$ 1,433 | \$ 1,432 | \$ 1 | 0% |

Net revenue was flat for the three months ended July 2, 2010, as compared to the same period last year, driven by the items discussed above under "Financial Results and Trends."

The changes in revenue for the three months ended July 2, 2010 are further described in the segment discussions that follow.

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Content, subscription, and maintenance revenue

| | Three Months Ended | | | |
|--|--------------------|-----------------|-----------|----|
| | July 2, 2010 | July 3, 2009 | Change in | |
| | | | \$ | % |
| | (\$ in millions) | | | |
| Content, subscription, and maintenance revenue | \$ 1,248 | \$ 1,209 | \$ 39 | 3% |
| Percentage of total net revenue | 87% | 84% | | |

Content, subscription, and maintenance revenue increased for the three months ended July 2, 2010, as compared to the same period last year, primarily as a result of strength in our Consumer segment where we completed the transition to our new eCommerce platform during the three months ended July 2, 2010 and continued to benefit from our broad range of distribution agreements with retailers and PC manufacturers. The growth in content, subscription, and maintenance revenue also reflects the expansion of our hosted services customer base, as well as for the reasons discussed above under "Financial Results and Trends."

License revenue

| | Three Months Ended | | | |
|---------------------------------|--------------------|-----------------|-----------|-------|
| | July 2, 2010 | July 3, 2009 | Change in | |
| | | | \$ | % |
| | (\$ in millions) | | | |
| License revenue | \$ 185 | \$ 223 | \$ (38) | (17)% |
| Percentage of total net revenue | 13% | 16% | | |

License revenue decreased for the three months ended July 2, 2010, as compared to the same period last year, primarily due to the lengthening of procurement cycles driven by continued cautiousness among IT buyers, particularly with respect to the storage management products within the Storage and Server Management segment, as well as for the reasons discussed above under "Financial Results and Trends."

Net revenue and operating income by segment

Consumer segment

| | Three Months Ended | | | |
|---------------------------------|--------------------|-----------------|-----------|----|
| | July 2, 2010 | July 3, 2009 | Change in | |
| | | | \$ | % |
| | (\$ in millions) | | | |
| Consumer revenue | \$ 473 | \$ 447 | \$ 26 | 6% |
| Percentage of total net revenue | 33% | 31% | | |
| Consumer operating income | \$ 225 | \$ 223 | \$ 2 | 1% |
| Percentage of Consumer revenue | 48% | 50% | | |

Consumer revenue increased for the three months ended July 2, 2010, as compared to the same period last year, primarily due to increases in revenue from our premium security suite and for the reasons discussed above under "Financial Results and Trends."

Our electronic channel sales are derived from OEMs, subscriptions, upgrades, online sales, and renewals. For the three months ended July 2, 2010, electronic channel revenue increased as compared to the same period last year. Electronic sales accounted for approximately 83% of Consumer revenue for the three months ended July 2, 2010, as compared to 80% in the same period last year.

Operating income for the Consumer segment was flat for the three months ended July 2, 2010, as compared to the same period last year. Total expenses for the segment increased, primarily as a result of higher OEM placement fees and costs associated with our new proprietary eCommerce platform.

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Security and Compliance segment

| | Three Months Ended | | | |
|---|--------------------|-----------------|------------------|----|
| | July 2, 2010 | July 3, 2009 | Change in | |
| | | | \$ | % |
| | | | (\$ in millions) | |
| Security and Compliance revenue | \$ 340 | \$ 336 | \$ 4 | 1% |
| Percentage of total net revenue | 24% | 23% | | |
| Security and Compliance operating income | \$ 78 | \$ 78 | \$ — | 0% |
| Percentage of Security and Compliance revenue | 23% | 23% | | |

Security and Compliance revenue and operating income was flat for the three months ended July 2, 2010, as compared to the same period last year, as stronger sales in our Symantec Hosted Services and data loss prevention offerings were largely offset by weakness in the small and medium-sized businesses, as well as the items discussed above under "Financial Results and Trends."

Storage and Server Management segment

| | Three Months Ended | | | |
|---|--------------------|-----------------|------------------|------|
| | July 2, 2010 | July 3, 2009 | Change in | |
| | | | \$ | % |
| | | | (\$ in millions) | |
| Storage and Server Management revenue | \$ 524 | \$ 553 | \$ (29) | (5)% |
| Percentage of total net revenue | 36% | 39% | | |
| Storage and Server Management operating income | \$ 240 | \$ 261 | \$ (21) | (8)% |
| Percentage of Storage and Server Management revenue | 46% | 47% | | |

Storage and Server Management revenue decreased for the three months ended July 2, 2010, as compared to the same period last year, primarily due to the lengthening of procurement cycles driven by continued cautiousness among IT buyers, particularly with respect to our storage management products, as well as the items discussed above under "Financial Results and Trends."

Operating income for the Storage and Server Management segment decreased for the three months ended July 2, 2010, as compared to the same period last year, as the decrease in revenue exceeded the decrease in expenses. The decrease in expenses was due to our ongoing focus on cost efficiency.

Services segment

| | Three Months Ended | | | |
|---------------------------------|--------------------|-----------------|------------------|-------|
| | July 2, 2010 | July 3, 2009 | Change in | |
| | | | \$ | % |
| | | | (\$ in millions) | |
| Services revenue | \$ 96 | \$ 96 | \$ — | 0% |
| Percentage of total net revenue | 7% | 7% | | |
| Services operating income | \$ 4 | \$ 5 | \$ (1) | (20)% |
| Percentage of Services revenue | 4% | 5% | | |

Services revenue and operating income was consistent for the three months ended July 2, 2010, as compared to the same period last year.

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Other segment

| | Three Months Ended | | | |
|---------------------------------|--------------------|-----------------|-----------|-------|
| | July 2, 2010 | July 3, 2009 | Change in | |
| | | | \$ | % |
| | (\$ in millions) | | | |
| Other revenue | \$ — | \$ — | \$ — | * |
| Percentage of total net revenue | 0% | 0% | | |
| Other operating loss | \$ (353) | \$ (415) | \$ 62 | (15)% |
| Percentage of Other revenue | * | * | | |

* Percentage not meaningful
Revenue from our Other segment consists primarily of sunset products and products nearing the end of their life cycle. The operating loss of our Other segment includes general and administrative expenses; amortization of acquired product rights, other intangible assets, and other assets; charges such as stock-based compensation and restructuring; and certain indirect costs that are not charged to the other operating segments.

Net revenue by geographic region

| | Three Months Ended | | | |
|---|--------------------|-----------------|-----------|------|
| | July 2, 2010 | July 3, 2009 | Change in | |
| | | | \$ | % |
| | (\$ in millions) | | | |
| Americas (U.S., Canada and Latin America) | \$ 796 | \$ 784 | \$ 12 | 2% |
| Percentage of total net revenue | 56% | 55% | | |
| EMEA (Europe, Middle East, Africa) | \$ 408 | \$ 433 | \$ (25) | (6)% |
| Percentage of total net revenue | 28% | 30% | | |
| Asia Pacific/Japan | \$ 229 | \$ 215 | \$ 14 | 7% |
| Percentage of total net revenue | 16% | 15% | | |

Fluctuations in the U.S. dollar compared to foreign currencies unfavorably impacted our international revenue by \$23 million.

Americas revenue increased for the three months ended July 2, 2010, as compared to the same period last year, primarily due to increased revenue related to our Consumer segment, partially offset by decreased revenue related to our Storage and Server Management segment.

EMEA revenue decreased for the three months ended July 2, 2010, as compared to the same period last year, primarily due to the impact of the change in foreign currency exchange rates and for the reasons discussed above under "Financial Results and Trends."

Asia Pacific Japan revenue increased for the three months ended July 2, 2010, as compared to the same period last year, primarily due to strength in our Consumer and Security and Compliance segments.

Our international sales are and will continue to be a significant portion of our net revenue. As a result, net revenue will continue to be affected by foreign currency exchange rates as compared to the U.S. dollar. We are unable to predict the extent to which revenue in future periods will be impacted by changes in foreign currency exchange rates. If international sales become a greater portion of our total sales in the future, changes in foreign currency exchange rates may have a potentially greater impact on our revenue and operating results.

[Table of Contents](#)**Cost of Revenue**

| | Three Months Ended | | | |
|-----------------|---------------------------|-------------------------|------------------|----------|
| | July 2, 2010 | July 3, 2009 | Change in | |
| | | | \$ | % |
| Cost of revenue | \$ 265 | \$ 312 | \$ (47) | (15)% |
| Gross margin | 82% | 78% | | |

Cost of revenue consists primarily of the amortization of acquired product rights, fee-based technical support costs, costs of billable services, payments to OEMs under revenue-sharing arrangements, manufacturing, and direct material costs, and royalties paid to third parties under technology licensing agreements.

Cost of revenue decreased for the three months ended July 2, 2010, as compared to the same period last year, primarily due to a decrease in amortization of acquired product rights related to our acquisition of Veritas.

Cost of content, subscription, and maintenance

| | Three Months Ended | | | |
|--|---------------------------|-------------------------|------------------|----------|
| | July 2, 2010 | July 3, 2009 | Change in | |
| | | | \$ | % |
| Cost of content, subscription, and maintenance | \$ 217 | \$ 209 | \$ 8 | 4% |
| As a percentage of related revenue | 17% | 17% | | |

Cost of content, subscription, and maintenance consists primarily of fee-based technical support costs, costs of billable services, and payments to OEMs under revenue-sharing agreements. Cost of content, subscription, and maintenance as a percentage of related revenue remained consistent for the three months ended July 2, 2010, as compared to the same period last year. However, the increase in total costs is primarily due to higher technical support costs and credit card processing fees, offset by a decrease in royalties.

Cost of license

| | Three Months Ended | | | |
|------------------------------------|---------------------------|-------------------------|------------------|----------|
| | July 2, 2010 | July 3, 2009 | Change in | |
| | | | \$ | % |
| Cost of license | \$ 3 | \$ 5 | \$ (2) | (40)% |
| As a percentage of related revenue | 2% | 2% | | |

Cost of license consists primarily of royalties paid to third parties under technology licensing agreements, manufacturing and direct material costs. Cost of license remained consistent as a percentage of the related revenue for the three months ended July 2, 2010, as compared to the same period last year.

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Amortization of acquired product rights

| | Three Months Ended | | | |
|---|--------------------|-----------------|-----------|-------|
| | July 2, 2010 | July 3, 2009 | Change in | |
| | | | \$ | % |
| Amortization of acquired product rights | \$ 45 | \$ 98 | \$ (53) | (54)% |
| Percentage of total net revenue | 3% | 7% | | |

Acquired product rights are comprised of developed technologies and patents from acquired companies. The decrease in amortization for the three months ended July 2, 2010 as compared to the same period last year is primarily due to certain acquired product rights from our acquisition of Veritas becoming fully amortized during the first quarter of fiscal 2010.

Operating Expenses

Operating expenses overview

Our operating expenses during the three months ended July 2, 2010 were favorably impacted by the restructuring plans discussed below.

| | Three Months Ended | | | |
|------------------------------------|--------------------|-----------------|------------------|------|
| | July 2, 2010 | July 3, 2009 | Change in | |
| | | | \$ | % |
| | | | (\$ in millions) | |
| Sales and marketing expense | \$ 573 | \$ 559 | \$ 14 | 3% |
| Percentage of total net revenue | 40% | 39% | | |
| Research and development expense | \$ 208 | \$ 221 | \$ (13) | (6)% |
| Percentage of total net revenue | 15% | 15% | | |
| General and administrative expense | \$ 92 | \$ 89 | \$ 3 | 3% |
| Percentage of total net revenue | 6% | 6% | | |

As a percentage of revenue, sales and marketing, research and development and general and administrative expenses remained consistent during the three months ended July 2, 2010.

Sales and marketing expense increased slightly during the three months ended July 2, 2010, as compared to the same period last year, as a result of increased OEM placement fees and costs associated with the deployment of our new proprietary eCommerce platform.

Research and development expense decreased during the three months ended July 2, 2010, as compared to the same period last year, as a result of a shift of labor to lower cost regions.

General and administrative expense increased slightly for the three months ended July 2, 2010, as compared to the same period last year, due to acquisition-related expenses from our fiscal 2011 acquisitions.

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Amortization of other purchased intangible assets

| | Three Months Ended | | | |
|---|---------------------------|----------------|------------------|----------|
| | July 2, | July 3, | Change in | |
| | 2010 | 2009 | \$ | % |
| Amortization of other purchased intangible assets | \$ 61 | \$ 62 | \$ (1) | (2)% |
| Percentage of total net revenue | 4% | 4% | | |

Other purchased intangible assets are comprised of customer relationships and tradenames. Amortization was flat for the three months ended July 2, 2010 compared to the same period last year.

Restructuring and transformation

| | Three Months Ended | | | |
|--|---------------------------|----------------|------------------|----------|
| | July 2, | July 3, | Change in | |
| | 2010 | 2009 | \$ | % |
| | | | (\$ in millions) | |
| Severance | \$ 23 | \$ 18 | | |
| Facilities and other | 12 | 5 | | |
| Transition, transformation and other costs | 5 | 11 | | |
| Restructuring and transformation | \$ 40 | \$ 34 | \$ 6 | 18% |
| Percentage of total net revenue | 3% | 2% | | |

The restructuring and transformation charges for the three months ended July 2, 2010 primarily consisted of severance and charges related to the 2011 Restructuring Plan ("2011 Plan"), the 2010 Restructuring Plan ("2010 Plan"), and transition and transformation costs related to the outsourcing of certain back office functions.

Total remaining severance charges are estimated to range from \$85 million to \$125 million, primarily for the 2011 Plan and 2010 Plan. Total remaining facilities charges are estimated to range from \$25 million to \$35 million related to the 2010 Plan. Total remaining costs for the transition and transformation activities associated with outsourcing back office functions are estimated to be approximately \$10 million to \$15 million. For further information on restructuring, see Note 6 of the Notes to Condensed Consolidated Financial Statements.

Impairment of assets held for sale

| | Three Months Ended | | | |
|------------------------------------|---------------------------|----------------|------------------|----------|
| | July 2, | July 3, | Change in | |
| | 2010 | 2009 | \$ | % |
| Impairment of assets held for sale | \$ — | \$ 3 | \$ (3) | (100)% |
| Percentage of total net revenue | 0% | 0% | | |

During the three months ended July 3, 2009, we recognized an impairment of \$3 million on certain land and buildings classified as held for sale. The impairments were recorded in accordance with the authoritative guidance that requires a long-lived asset classified as held for sale to be measured at the lower of its carrying amount or fair value, less cost to sell.

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Non-operating Income and Expense

| | Three Months Ended | | | |
|---------------------------------|--------------------|---------|-----------|-----|
| | July 2, | July 3, | Change in | |
| | 2010 | 2009 | \$ | % |
| | (\$ in millions) | | | |
| Interest income | \$ 2 | \$ 2 | | |
| Interest expense | (33) | (32) | | |
| Other income, net | 1 | 6 | | |
| Total | \$ (30) | \$ (24) | \$ (6) | 25% |
| Percentage of total net revenue | (2)% | (2)% | | |

Non-operating income and expense was flat during the three months ended July 2, 2010, as compared to the same period last year.

(Benefit) provision for income taxes

| | Three Months Ended | | | |
|--------------------------------------|--------------------|---------|-----------|--------|
| | July 2, | July 3, | Change in | |
| | 2010 | 2009 | \$ | % |
| | (\$ in millions) | | | |
| (Benefit) provision for income taxes | \$ (4) | \$ 42 | \$ (46) | (110)% |
| Effective tax rate on earnings | (2)% | 33% | | |

The effective tax rate was approximately (2) % and 33% for the three months ended July 2, 2010 and July 3, 2009, respectively.

The tax expense for the three months ended July 2, 2010 was significantly reduced by the following benefits recognized in the first quarter of fiscal 2011: (1) \$38.5 million additional tax benefit arising from the *Veritas v. Commissioner* Tax Court decision (see further discussion below), and (2) \$10.5 million tax benefit from current quarter discrete events primarily related to tax settlements and lapses of statutes of limitations. The tax expense for the three months ended July 3, 2009 included a \$7 million tax expense related to the U.S. tax treatment of certain stock based compensation under *Xilinx v. Commissioner* (see further discussion below).

The provision for both three-month periods ended July 2, 2010 and July 3, 2009 otherwise reflects a forecast tax rate of 27%. The forecast tax rates for both periods presented reflect the benefits of lower-taxed foreign earnings and losses from our joint venture with Huawei ("joint venture"), domestic manufacturing incentives, and research and development credits (the U.S. federal R&D tax credit expired on December 31, 2009), partially offset by state income taxes.

On May 27, 2009, the U.S. Court of Appeals for the Ninth Circuit overturned a 2005 U.S. Tax Court ruling in *Xilinx v. Commissioner*, holding that stock-based compensation related R&D must be shared by the participants of an R&D cost sharing arrangement. The Ninth Circuit held that related parties to such an arrangement must share stock option costs, notwithstanding the U.S. Tax Court's finding that unrelated parties in such an arrangement would not share such costs. Symantec has a similar R&D cost sharing arrangement in place. The Ninth Circuit's reversal of the U.S. Tax Court's decision changed our estimate of stock option related tax benefits previously recognized under the authoritative guidance on income taxes. As a result of the Ninth Circuit's ruling, we increased our liability for unrecognized tax benefits, recording a tax expense of approximately \$7 million and a reduction of additional paid-in capital of approximately \$30 million in the first quarter of fiscal 2010. On January 13, 2010, the Ninth Circuit Court of Appeals withdrew its issued opinion. On March 22, 2010, the Ninth Circuit Court of Appeals issued a revised decision affirming the decision of the Tax Court. The Ninth Circuit's decision agreed with the Tax Court's finding that related companies are not required to share such costs. As a result of the Ninth Circuit's revised ruling, we released the liability established in our first quarter of fiscal 2010, which resulted in a \$7 million tax benefit and increase of additional paid-in capital of approximately \$30 million in the fourth quarter of fiscal 2010. For fiscal 2010, there was no net income tax expense impact.

On March 29, 2006, we received a Notice of Deficiency from the IRS claiming that we owe \$867 million of additional taxes, excluding interest and penalties, for the 2000 and 2001 tax years based on an audit of Veritas. On June 26, 2006, we filed a petition with the U.S. Tax Court protesting the IRS claim for such additional taxes. In the fourth quarter of fiscal 2007, we agreed to pay \$7 million out of \$35 million originally assessed by the IRS in connection with several of the lesser issues covered in the assessment. The IRS agreed to waive the assessment of penalties. During July 2008, we completed the trial phase of the Tax Court case, which dealt

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with the remaining issue covered in the assessment. At trial, the IRS changed its position with respect to this remaining issue, which decreased the remaining amount at issue from \$832 million to \$545 million, excluding interest. We filed our post-trial briefs in October 2008 and rebuttal briefs in November 2008 with the U.S. Tax Court.

On December 10, 2009, the U.S. Tax Court issued its opinion, finding that our transfer pricing methodology, with appropriate adjustments, was the best method for assessing the value of the transaction at issue between Veritas and its offshore subsidiary. The Tax Court judge provided guidance as to how adjustments would be made to correct the application of the method used by Veritas. We remeasured and decreased our liability for unrecognized tax benefits accordingly, resulting in a \$78.5 million tax benefit in the third quarter in fiscal 2010. The Tax Court ruling is subject to appeal. In June 2010, we reached an agreement with the IRS concerning the amount of the adjustment related to the U.S. Tax Court decision. As a result of the agreement, we further reduced our liability for unrecognized tax benefits, resulting in an additional \$38.5 million tax benefit in the first quarter in fiscal 2011.

In July 2008, we reached an agreement with the IRS concerning our eligibility to claim a lower tax rate on a distribution made from a Veritas foreign subsidiary prior to the July 2005 acquisition. The distribution was intended to be made pursuant to the American Jobs Creation Act of 2004, and therefore eligible for a 5.25% effective U.S. federal rate of tax, in lieu of the 35% statutory rate. The final impact of this agreement is not yet known since this relates to the taxability of earnings that are otherwise the subject of transfer pricing matters at issue in the IRS examination of Veritas tax years 2002–2005 (see discussion below). To the extent that we owe taxes as a result of these transfer pricing matters in years prior to the distribution, we anticipate that the incremental tax due from this negotiated agreement will decrease. We currently estimate that the most probable outcome from this negotiated agreement will be that we will owe \$13 million or less, for which an accrual has already been made.

On December 2, 2009, we received a Revenue Agent’s Report from the IRS for the Veritas 2002 through 2005 tax years assessing additional taxes due. We agree with \$30 million of the tax assessment, excluding interest, but will contest the other \$80 million of tax assessed and all penalties. The unagreed issues concern transfer pricing matters comparable to the one that was resolved in our favor in the *Veritas v. Commissioner* Tax Court decision. On January 15, 2010, we filed a protest with the IRS in connection with the \$80 million of tax assessed and currently await a response from the IRS.

We continue to monitor the progress of ongoing tax controversies and the impact, if any, of the expected tolling of the statute of limitations in various taxing jurisdictions.

We made a payment of \$130 million to the IRS in May 2006 to address the Veritas matters described above for our 2000–2005 tax years.

Loss from joint venture

| | Three Months Ended | | | |
|---------------------------------|---------------------------|----------------|---------------------------|----------|
| | July 2, | July 3, | Change in | |
| | 2010 | 2009 | \$ | % |
| | | | (\$ in millions) | |
| Loss from joint venture | \$ 7 | \$ 12 | \$ (5) | (42)% |
| Percentage of total net revenue | 0% | 1% | | |

On February 5, 2008, Symantec formed Huawei–Symantec, Inc. (“joint venture”) with a subsidiary of Huawei Technologies Co., Ltd. (“Huawei”). The joint venture is domiciled in Hong Kong with principal operations in Chengdu, China. The joint venture develops, manufactures, markets, and supports security and storage appliances to global telecommunications carriers and enterprise customers. We record our proportionate share of the joint venture’s net income or loss one quarter in arrears.

For the three months ended July 2, 2010, we recorded a loss of approximately \$7 million related to our share of the joint venture’s net loss incurred for the period from January 1, 2010 to March 31, 2010. For the three months ended July 3, 2009, we recorded a loss of approximately \$12 million related to our share of the joint venture’s net loss for the period from January 1, 2009 to March 31, 2009.

LIQUIDITY AND CAPITAL RESOURCES

Sources of Cash

We have historically relied on cash flow from operations, borrowings under a credit facility, issuances of convertible notes, and equity securities for our liquidity needs. Key sources of cash include earnings from operations, existing cash and cash equivalents, and our revolving credit facility.

In fiscal 2007, we entered into a five-year \$1.0 billion senior unsecured revolving credit facility that expires in July 2011. In order to be able to draw on the credit facility, we must maintain certain covenants, including a specified ratio of debt to earnings (before interest, taxes, depreciation, amortization and impairment) as well as certain other non-financial covenants. As of July 2, 2010, we were in compliance with all required covenants and there was no outstanding balance on the credit facility.

As of July 2, 2010, we had cash and cash equivalents of \$2.7 billion and short-term investments of \$13 million resulting in a net liquidity position of approximately \$3.7 billion, which is defined as unused availability of the credit facility, cash and cash equivalents and short-term investments.

We believe that our existing cash and investment balances, our borrowing capacity, and cash generated from operations will be sufficient to meet our working capital and capital expenditures requirements for at least the next 12 months.

Uses of Cash

Our principal cash requirements include working capital, capital expenditures, payments of principal and interest on our debt, and payments of taxes. Also, we may, from time to time, engage in the open market purchase of our convertible notes prior to their maturity. In addition, we regularly evaluate our ability to repurchase stock, pay debts and acquire other businesses.

Acquisition-Related. For the three months ended July 2, 2010, we acquired PGP Corporation (“PGP”) and GuardianEdge Technologies, Inc. (“GuardianEdge”) for an aggregate payment of \$362 million, net of cash acquired, and invested in a privately-held company for \$6 million. For the three months ended July 3, 2009, we invested in a privately-held company for \$16 million. For the three months ended October 1, 2010, we expect to use approximately \$1.3 billion of our cash balance to acquire the identity and authentication business of VeriSign, Inc.

Convertible Senior Notes. In June 2006, we issued \$1.1 billion principal amount of 0.75% Convertible Senior Notes due June 15, 2011, and \$1.0 billion principal amount of 1.00% Convertible Senior Notes (collectively the “Senior Notes”) due June 15, 2013, to initial purchasers in a private offering for resale to qualified institutional buyers pursuant to SEC Rule 144A. For the three months ended July 2, 2010 and July 3, 2009, we have not repaid any of this debt other than the related interest costs.

Stock Repurchases. For the three months ended July 2, 2010, we repurchased 14 million shares, or \$200 million, of our common stock. For the three months ended July 3, 2009, we repurchased 8 million shares, or \$123 million, of our common stock. As of July 2, 2010, we had \$547 million remaining under the plan authorized for future repurchases.

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Cash Flows

The following table summarizes selected items in our Condensed Consolidated Statements of Cash Flows:

| | Three Months Ended | |
|--------------------------------|---------------------------|-------------------------|
| | July 2, 2010 | July 3, 2009 |
| | (In millions) | |
| Net cash provided by (used in) | | |
| Operating activities | \$ 335 | \$ 371 |
| Investing activities | (418) | 116 |
| Financing activities | (207) | (128) |

Operating Activities

Net cash provided by operating activities was \$335 million for the three months ended July 2, 2010, which resulted from net income of \$161 million adjusted for non-cash items, including depreciation and amortization charges of \$194 million and stock-based compensation expense of \$35 million, as well as increased collections of trade receivables of \$285 million. These amounts were partially offset by decreases in deferred revenue of \$177 million, accrued compensation and other liabilities of \$109 million, and income taxes payable of \$76 million.

Net cash provided by operating activities was \$371 million for the three months ended July 3, 2009, which resulted from net income of \$74 million adjusted for non-cash items, including depreciation and amortization charges of \$246 million, stock-based compensation expense of \$49 million, as well as increased collections of trade receivables of \$229 million. These amounts were partially offset by decreases in deferred revenue of \$142 million and accrued compensation and benefits of \$90 million.

Investing Activities

Net cash used in investing activities was \$418 million for the three months ended July 2, 2010 and was primarily due to payments for acquisitions, net of cash acquired, of \$362 million and \$52 million paid for capital expenditures.

Net cash provided by investing activities was \$116 million for the three months ended July 3, 2009 and was primarily due to proceeds of \$183 million from the sale of short-term investments, partially offset by \$54 million paid for capital expenditures and \$16 million paid for an equity investment in a privately-held company.

Financing Activities

Net cash used in financing activities was \$207 million for the three months ended July 2, 2010 and was primarily due to repurchases of our common stock of \$200 million.

Net cash used in financing activities was \$128 million for the three months ended July 3, 2009 and was primarily due to repurchases of our common stock of \$123 million.

Contractual Obligations

There have been no significant changes in our contractual obligations during the three months ended July 2, 2010 as compared to the contractual obligations disclosed in Management's Discussion and Analysis of Financial Condition and Results of Operations, set forth in Part II, Item 7, of our Annual Report on Form 10-K for the fiscal year ended April 2, 2010.

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Item 3. *Quantitative and Qualitative Disclosures about Market Risk*

There have been no significant changes in our market risk exposures during the three months ended July 2, 2010 as compared to the market risk exposures disclosed in Management's Discussion and Analysis of Financial Condition and Results of Operations, set forth in Part II, Item 7A, of our Annual Report on Form 10-K for the fiscal year ended April 2, 2010.

Item 4. *Controls and Procedures*

(a) Evaluation of Disclosure Controls and Procedures

The SEC defines the term "disclosure controls and procedures" to mean a company's controls and other procedures that are designed to ensure that information required to be disclosed in the reports that it files or submits under the Exchange Act is recorded, processed, summarized, and reported, within the time periods specified in the SEC's rules and forms. "Disclosure controls and procedures" include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Exchange Act is accumulated and communicated to the issuer's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. Our Chief Executive Officer and our Chief Financial Officer have concluded, based on an evaluation of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act) by our management, with the participation of our Chief Executive Officer and our Chief Financial Officer, that our disclosure controls and procedures were effective as of the end of the period covered by this report.

(b) Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting during the three months ended July 2, 2010 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

(c) Limitations on Effectiveness of Controls

Our management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls and procedures or our internal controls will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within our Company have been detected.

PART II. OTHER INFORMATION

Item 1. *Legal Proceedings*

Information with respect to this Item may be found in Note 7 of Notes to Condensed Consolidated Financial Statements in this Form 10-Q, which information is incorporated into this Part II, Item 1 by reference.

Item 1A. *Risk Factors*

A description of the risks associated with our business, financial condition, and results of operations is set forth in Part I, Item 1A, of our Annual Report on Form 10-K for the fiscal year ended April 2, 2010. There have been no material changes in our risks from such description.

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Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Stock repurchases during the three months ended July 2, 2010 were as follows:

ISSUER PURCHASES OF EQUITY SECURITIES

| | <u>Total Number of Shares Purchased</u> | <u>Average Price Paid per Share</u> | <u>Total Number of Shares Purchased Under Publicly Announced Plans or Programs</u> | <u>Maximum Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs</u> |
|---------------------------------|---|---|--|---|
| | | (In millions, except per share data) | | |
| April 3, 2010 to April 30, 2010 | — | \$ — | — | \$ 746 |
| May 1, 2010 to May 28, 2010 | 2 | \$ 14.41 | 2 | \$ 721 |
| May 29, 2010 to July 2, 2010 | 12 | \$ 14.51 | 12 | \$ 547 |
| Total | 14 | \$ 14.49 | 14 | |

For information regarding our stock repurchase programs, see Note 9 of Notes to Condensed Consolidated Financial Statements, which information is incorporated herein by reference.

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Item 6. Exhibits

| Exhibit Number | Exhibit Description | Incorporated by Reference | | | File Date | Filed with this 10-Q |
|----------------|--|---------------------------|-------------|---------|-----------|----------------------|
| | | Form | File Number | Exhibit | | |
| 2.01 ** | Acquisition Agreement by and between VeriSign, Inc. and Symantec Corporation, dated May 19, 2010 | | | | | X |
| 3.01 | Symantec Corporation Bylaws, as amended May 4, 2010 | 8-K | 000-17781 | 3.01 | 05/04/10 | |
| 10.01 * | FY11 Executive Annual Incentive Plan — Chief Executive Officer | | | | | X |
| 10.02 * | FY11 Executive Annual Incentive Plan — Executive Vice President and Group President — 90% | | | | | X |
| 10.03 * | FY11 Executive Annual Incentive Plan — Executive Vice President and Group President | | | | | X |
| 10.04 * | FY11 Long Term Incentive Plan | | | | | X |
| 31.01 | Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes–Oxley Act of 2002 | | | | | X |
| 31.02 | Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes–Oxley Act of 2002 | | | | | X |
| 32.01 † | Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes–Oxley Act of 2002 | | | | | X |
| 32.02 † | Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes–Oxley Act of 2002 | | | | | X |
| 101.INS †† | XBRL Instance Document | | | | | X |

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|-------------------|--|------|---------------------------|---------|--|-------------------------|
| | | | File Number | Exhibit | | |
| 101.SCH †† | XBRL Taxonomy Extension Schema Linkbase Document | | | | | X |
| 101.CAL †† | XBRL Taxonomy Extension Calculation Linkbase Document | | | | | X |
| 101.LAB †† | XBRL Taxonomy Extension Labels Linkbase Document | | | | | X |
| 101.PRE †† | XBRL Taxonomy Extension Presentation Linkbase Document | | | | | X |
| 101.DEF †† | XBRL Taxonomy Extension Definition Linkbase Document | | | | | X |
| * | | | | | Indicates a management contract or compensatory plan or arrangement. | |
| ** | | | | | The exhibits and schedules to this agreement have been omitted pursuant to Item 601(b)(2) of Regulation S-K. We will furnish copies of any of the exhibits and schedules to the SEC upon request. | |
| † | | | | | This exhibit is being furnished rather than filed, and shall not be deemed incorporated by reference into any filing, in accordance with Item 601 of Regulation S-K. | |
| †† | | | | | In accordance with Rule 406T of Regulation S-T, the information in these exhibits is furnished and deemed not filed or part of a registration statement or prospectus for purposes of sections 11 or 12 of the Securities Act of 1933, is deemed not filed for purposes of section 18 of the Exchange Act of 1934, and otherwise is not subject to liability under these sections. | |

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SYMANTEC CORPORATION
(Registrant)

By: /s/ Enrique Salem
Enrique Salem
President and Chief Executive Officer

By: /s/ James A. Beer
James A. Beer
Executive Vice President and Chief Financial Officer

Date: August 4, 2010

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SYMANTEC CORPORATION
Q1 FY11 Form 10-Q
EXHIBIT INDEX

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- * Indicates a management contract or compensatory plan or arrangement.
- ** The exhibits and schedules to this agreement have been omitted pursuant to Item 601(b)(2) of Regulation S-K. We will furnish copies of any of the exhibits and schedules to the SEC upon request.
- † This exhibit is being furnished rather than filed, and shall not be deemed incorporated by reference into any filing, in accordance with Item 601 of Regulation S-K.
- †† In accordance with Rule 406T of Regulation S-T, the information in these exhibits is furnished and deemed not filed or part of a registration statement or prospectus for purposes of sections 11 or 12 of the Securities Act of 1933, is deemed not filed for purposes of section 18 of the Exchange Act of 1934, and otherwise is not subject to liability under these sections.

ACQUISITION AGREEMENT
BY AND BETWEEN
VERISIGN, INC.,
a Delaware corporation,
AND
SYMANTEC CORPORATION,
a Delaware corporation
DATED AS OF MAY 19, 2010

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ACQUISITION AGREEMENT

This ACQUISITION AGREEMENT is dated as of May 19, 2010, between VERISIGN, INC., a Delaware corporation (“VeriSign” or “Seller”), and SYMANTEC CORPORATION, a Delaware corporation (“Purchaser”).

WITNESSETH:

WHEREAS, Seller beneficially owns (directly and/or through the Companies and certain Seller Subsidiaries (as defined below)) the Business (as defined below); and

WHEREAS, Seller wishes to transfer (and cause the Seller Subsidiaries to transfer) to Purchaser, and Purchaser wishes to purchase the Shares, the Transferred Assets and the Assumed Liabilities, which collectively comprise the Business, from Seller and the Seller Subsidiaries, all upon the terms and subject to the conditions set forth herein;

NOW, THEREFORE, in consideration of the premises and the mutual representations, warranties, covenants and agreements contained herein, the parties agree as follows:

ARTICLE I DEFINITIONS

SECTION 1.01. Certain Defined Terms. As used in this Agreement, the following terms have the following meanings:

“**Action**” means any claim, litigation, action, suit, investigation, originating application to an employment tribunal, binding arbitration or proceeding.

“**Affiliate**” means, with respect to any specified Person, any other Person who or that, directly or indirectly through one or more intermediaries, Controls, is Controlled by or is under common Control with such specified Person.

“**Agreement**” means this Agreement, including the Seller Disclosure Schedule and all Exhibits and Schedules hereto and thereto, and all amendments hereto and thereto.

“**Ancillary Agreements**” means the Bill of Sale and Assignment and Assumption Agreements, the Foreign Acquisition Agreements, the Intellectual Property Assignment Agreements, the Intellectual Property License Agreement, the ATLAS OCSP Software License Agreement, the Trademark License Agreement, the Commercial Agreements, the Website Agreement and the Transition Services Agreement.

“**Assumed Contracts**” means all those Material Contracts and other Contracts of Seller and/or a Seller Subsidiary that relate exclusively to the Business (in each instance, including those entered into after the date hereof not in violation of the provisions of this Agreement), and the Transferred Leases, but excluding those pursuant to which Seller or a Seller Subsidiary is granted rights under third party Intellectual Property Rights.

“Assumed In–Licenses” means all those Material Contracts and other Contracts pursuant to which Seller or a Seller Subsidiary is granted rights under third party Intellectual Property Rights and which are (a) listed in Section 1.01(i) of the Seller Disclosure Schedule or (b) otherwise used (or held for use) primarily in the conduct of the Business as of the Closing Date and identified as Transferred Assets prior to the Closing pursuant to Section 5.09(b). For the avoidance of doubt, any contracts that are determined to be “Assumed In–Licenses” after the Closing pursuant to Section 5.09(b) shall, from and after the date of such determination, be deemed to have been Assumed In–Licenses for all purposes hereunder as of the Closing.

“ATLAS OCSP Software License Agreement” means the ATLAS OCSP Software License Agreement to be executed by the parties thereto on the Closing Date, in the form of Exhibit A.

“Base Purchase Price” means \$1,280,000,000.

“Base Modified Working Capital” means \$34,700,000.

“Benefit Plan” means (a) each “employee benefit plan,” within the meaning of Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), whether or not subject to ERISA, and (b) each employment, consulting, severance, termination, retirement, change in control, retention, incentive or deferred compensation, bonus, stock option or other equity based, vacation or holiday pay, dependent care assistance, excess benefit, salary continuation, medical, life or other insurance, pension, supplemental retirement, supplemental unemployment or other fringe benefit plan, policy, program, agreement, arrangement or commitment.

“Bill of Sale and Assignment and Assumption Agreements” means any Bill of Sale and Assignment and Assumption Agreement to be executed by the parties thereto (or their respective Subsidiaries, as applicable) on the Closing Date, in each case in the form of Exhibit B (with such changes to reflect a transfer by a Seller Subsidiary or any permitted assignment under Section 11.07 and Section 2.01(e)).

“Business” means, collectively, the following businesses and business segments of Seller, the Seller Subsidiaries and the Companies:

(a) the Business Authentication Services business, which consists of (i) Secure Sockets Layer (SSL) and Code Signing certificate services and (ii) Trust Seal and other seal services, which provide products and services under the VeriSign, Thawte, GeoTrust, and RapidSSL brands; and

(b) the User Authentication Services business, which consists of VeriSign’s Identity Protection Services business, Fraud Detection Services business and client and device Public Key Infrastructure Services business,

in each case, including the Product and Service Extensions. For the avoidance of doubt, the Business shall not include the business and business segments of Seller and its Subsidiaries described on Section 1.01(ii) of the Seller Disclosure Schedule.

“**Business Day**” means any day that is not a Saturday, a Sunday or other day on which banks are required or authorized by Law to be closed in New York, New York, USA.

“**CERCLA**” means the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, and any rules or regulations promulgated thereunder.

“**Code**” means the United States Internal Revenue Code of 1986, as amended.

“**Commercial Agreements**” means the Commercial Agreements to be executed by the parties thereto on the Closing Date, in the forms attached as Exhibit C.

“**Companies**” means the Subsidiaries of Seller listed in Section 1.01(iii) of the Seller Disclosure Schedule. The term “Company” shall have a correlative meaning.

“**Company Intellectual Property**” means any Intellectual Property Rights owned by the Companies as of the Closing Date, including (a) those patents, patent applications and invention disclosures listed in Section 1.01(iv)(a) of the Seller Disclosure Schedule; (b) those trademarks, service marks, and domain names (including any registrations and applications therefor) listed in Section 1.01(iv)(b) of the Seller Disclosure Schedule and any goodwill associated therewith; and (c) those copyright registrations and applications listed in Section 1.01(iv)(c) of the Seller Disclosure Schedule.

“**Company In-Licenses**” means all those Material Contracts and other Contracts pursuant to which a Company is granted rights under third party Intellectual Property Rights.

“**Company Registered Intellectual Property**” means any Company Intellectual Property that is issued, granted, or registered by or with any Governmental Authority or for which an application therefor has been filed with any Governmental Authority, including the Intellectual Property Rights set forth on Section 1.01(iv) of the Seller Disclosure Schedule.

“**Consent**” means any approval, authorization, consent, order, license, permission, permit, qualification, exemption or waiver by any third party or Governmental Authority.

“**Contract**” means any legally binding contract, agreement, lease, sublease, commitment, license, sublicense, permit, mortgage, indenture, note or other similar arrangement.

“**Control**” means, as to any Person, the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise. The terms “**Controls**” and “**Controlled**” shall have a correlative meaning.

“**Employee**” means each Share Transfer Employee and each other individual employed by Seller or a Seller Subsidiary in connection with the operation of the Business who is listed in Section 1.01(v) of the Seller Disclosure Schedule (as updated in accordance with Section 6.01(a)) or whose employment would transfer by operation of Law in connection with the Transactions, and excluding, for purposes of clarification, the Excluded Employees.

“**Environmental Law**” means any applicable Law relating to pollution or protection of the environment, natural resources, human health and safety, or exposure to hazardous or toxic contaminants, chemicals, substances, wastes or materials.

“**Environmental Permit**” means any Permit required under any Environmental Law.

“**Estimated Purchase Price**” means an amount equal to the Base Purchase Price plus the Estimated Modified Working Capital Amount, if the Estimated Modified Working Capital Amount is \$0.00 or a positive number, or minus the absolute value of Estimated Modified Working Capital Amount, if the Estimated Modified Working Capital Amount is a negative number.

“**Estimated Modified Working Capital Amount**” means the difference (which may be a positive or negative number) between (a) the Estimated Modified Working Capital minus (b) the Base Modified Working Capital; provided that if the absolute value of such difference is less than \$2,000,000, the Estimated Modified Working Capital Amount will be equal to \$0.00.

“**Exchange Act**” means the Securities Exchange Act of 1934, as amended, together with the rules, regulations, schedules and forms thereunder.

“**Excluded Employees**” means (a) those Persons employed by the Companies as of the Closing Date who are either (i) listed on Section 1.01(vi) of the Seller Disclosure Schedule or not listed on Section 1.01(v) of the Seller Disclosure Schedule or (ii) a Purchaser Excluded Employee and (b) those Persons employed by Seller or its Subsidiaries as of the Closing Date whose employment would transfer by operation of Law to Purchaser or its Subsidiaries in connection with the transactions who are either (i) not listed on Section 1.01(v) of the Seller Disclosure Schedule or (ii) a Purchaser Excluded Employee.

“**Governmental Authority**” means any U.S. or foreign national, federal, state, provincial or local authority, legislative body, court, government or self-regulatory organization (including any stock exchange), commission, tribunal or organization, or any regulatory agency, or any political or other subdivision, department or branch of any of the foregoing.

“**Governmental Order**” means any order, writ, judgment, injunction, decision, decree, stipulation, restriction, determination or award entered by or with any Governmental Authority.

“**Hazardous Materials**” means any toxic, radioactive, ignitable, corrosive, reactive or otherwise hazardous pollutant, contaminant, waste or chemical substance, including (a) petroleum, petroleum products, asbestos in any form that is friable or polychlorinated biphenyls and (b) any chemical, material or other substance regulated under any Environmental Law.

“**HSR Act**” means the Hart-Scott-Rodino Antitrust Improvements Act of 1976 and the rules and regulations thereunder, each as amended from time to time.

“Indebtedness” of any Person at any date means, without duplication, any obligations of such Person under the applicable governing documentation to pay principal, interest, penalties, fees, guarantees, reimbursements, damages, costs of unwinding and other liabilities with respect to (a) indebtedness for borrowed money, (b) indebtedness evidenced by bonds, debentures, notes or similar instruments, (c) leases that are capitalized in accordance with applicable generally accepted accounting principles under which such Person is the lessee, (d) the deferred purchase price of goods or services (other than trade payables or accruals in the ordinary course of business consistent with past practice) and (e) guarantees of obligations described in clauses (a) through (d) of any Person.

“Intellectual Property Assignment Agreement” means the Intellectual Property Assignment Agreement to be executed by the parties hereto (or their respective subsidiaries, as applicable) on the Closing Date, in each case in the form of Exhibit D (with such changes to reflect a transfer by a Seller Subsidiary or any permitted assignment under Section 11.07 and Section 2.01(e)).

“Intellectual Property License Agreement” means the Intellectual Property License Agreement to be executed by the parties thereto on the Closing Date, in each case in the forms set forth on Exhibit E.

“Intellectual Property Rights” means any and all (i) patents and patent applications (including all reissues, divisions, continuations, continuations-in-part, extensions and reexaminations thereof) registered or applied for in the United States and all other nations throughout the world and patentable inventions (collectively, **“Patents”**), (ii) trademarks, service marks, trade dress, logos, domain names, rights of publicity, trade names and corporate names (whether or not registered) in the United States and all other nations throughout the world, including all registrations and applications for registration of the foregoing and all goodwill associated therewith (collectively, **“Trademarks”**), (iii) copyrights (whether or not registered) and registrations and applications for registration thereof in the United States and all other nations throughout the world, including all moral rights, renewals, extensions, reversions or restorations associated with such copyrights, regardless of the medium of fixation or means of expression (collectively, **“Copyrights”**), (iv) know-how, confidential business information and trade secrets (collectively, **“Trade Secrets”**), (including, to the extent applicable to each case, (A) pricing and cost information, (B) business, corporate, operational and financial information, (C) business and marketing plans, (D) information related to customers, suppliers, and partners, (E) manufacturing and production processes and techniques, and (F) research and development information), (v) databases and data collections, (vi) any other similar type of proprietary intellectual property right and (vii) all rights to sue or recover and retain damages and costs and attorneys’ fees for past, present and future infringement or misappropriation of any of the foregoing.

“Key Employee” means each of the individuals listed on Schedule 1.01(vii) to the Seller Disclosure Schedule.

“Knowledge of Seller” or **“Seller’s Knowledge”** means the actual knowledge after reasonable inquiry of any of the individuals listed in Section 1.01(viii) of the Seller Disclosure Schedule.

“**Law**” means any law (including common law), statute, treaty, ordinance, regulation, rule, code or other requirement or rule enacted or promulgated by any Governmental Authority, including any Governmental Order.

“**Liabilities**” means debts, liabilities, commitments and obligations (including guarantees and other forms of credit support), whether accrued or fixed, absolute or contingent, matured or unmatured, on- or off-balance sheet, including those arising under any Law or Action and those arising under any contract, agreement, arrangement, commitment or undertaking or otherwise.

“**Lien**” means any mortgage, deed of trust, pledge, hypothecation, security interest, encumbrance, claim, lien, license, lease or charge of any kind. For the purposes of this Agreement, a Person shall be deemed to own subject to a Lien, among other things, any tangible property or asset which it has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement relating to such tangible property or asset.

“**Losses**” means any and all losses, liabilities, damages, judgments, settlements and expenses (including interest and penalties recovered by a third party with respect thereto and reasonable expenses of investigation and reasonable attorneys’ fees and expenses in connection with any action, suit or proceeding whether involving a third-party claim or a claim solely between the parties hereto), excluding any consequential, special, punitive or speculative damages except to the extent such damages (a) are recovered by third parties in connection with Losses indemnified under this Agreement or (b) constitute lost profits, consequential damages or diminution in value damages that were the direct and reasonably foreseeable consequence of the relevant breach and were not occasioned by special circumstances relating to the Indemnified Party.

“**Material Adverse Effect**” means a material adverse effect on the assets, operations, results of operations or financial condition of the Business, taken as a whole, but in each case shall not include the effect of events, changes and circumstances relating to (a) the markets for identity, access management and authentication solutions, to the extent they do not have a disproportionately adverse effect on the Business as compared to other businesses in similar industries and markets, (b) macroeconomic factors, interest rates and general financial market conditions, to the extent they do not have a disproportionately adverse effect on the Business as compared to other businesses in similar industries and markets, (c) acts of God, war, terrorism or hostilities, to the extent they do not have a disproportionately adverse effect on the Business as compared to other businesses in similar industries, geographies and markets, (d) changes in Law, generally accepted accounting principles in the United States or official interpretations of the foregoing, (e) compliance with the terms and conditions of this Agreement, (f) the announcement, pendency or consummation of the Transactions or the identity of Purchaser; provided that this clause (f) shall not be taken into account for purposes of Section 3.03 or (g) the failure of the Business to achieve internal or external financial forecasts or projections (it being understood that this clause (g) shall not prevent a party from asserting that any effect, change or circumstance that may have contributed to such failure independently constitutes or contributes to a Material Adverse Effect).

“**Modified Working Capital**” shall have the meaning set forth in Exhibit F hereto.

“**Modified Working Capital Amount**” means the difference (which may be a positive or negative number) between (a) the Closing Modified Working Capital minus (b) the Base Modified Working Capital; provided that if the absolute value of such difference is less than \$2,000,000, the Modified Working Capital Amount will be equal to \$0.00.

“**Nasdaq**” means The Nasdaq Stock Market’s National Market.

“**Net Cash**” means, on any given date, an amount calculated as of the close of business on such date, by subtracting (a) the amount of Indebtedness of the Companies from (b) the amount of cash and cash equivalents (including marketable securities and short-term investments), in each case calculated in accordance with US GAAP applied on a basis consistent with the preparation of the Unaudited Financial Information.

“**Overhead and Shared Services**” means the following ancillary or corporate shared services that are provided to both (a) the Business and (b) other businesses of Seller and its Subsidiaries: travel and entertainment services, temporary labor services, office supplies services (including copiers and faxes), personal telecommunications services, computer/telecommunications maintenance and support services, fleet services, energy/utilities services, procurement and supply arrangements, treasury services, public relations, legal and risk management services (including workers’ compensation), payroll services, telephone/online connectivity services, accounting services, tax services, internal audit services, executive management services, investor relations services, human resources and employee relations management services, employee benefits services, credit, collections and accounts payable services, property management services, environmental support services and customs and excise services. Overhead and Shared Services shall not include any item in the previous sentence (a) that is exclusive to the Companies and/or the Business, rather than shared with any other line of business or the general corporate operations of Seller, (b) to the extent provided by the Companies or solely by using Transferred Employees and/or Transferred Assets or (c) Shared Software.

“**Owned Real Property**” means the real property listed in Section 1.01(ix) of the Seller Disclosure Schedule, together with all right, title and interest of Seller or the Seller Subsidiaries in all buildings, improvements and fixtures thereon and appurtenances thereto.

“**Permits**” means any permit, approval, license or other authorization required by any Governmental Authority to conduct the Business as currently conducted, excluding any registrations or applications for Intellectual Property Rights.

“**Permitted Liens**” means (a) Liens for Taxes that are not yet due or are being contested in good faith and for which adequate accruals or reserves have been established in the Unaudited Financial

Information if required pursuant to US GAAP, (b) statutory Liens of landlords and Liens of carriers, warehousemen, mechanics, materialmen and other Liens imposed by Law, in each case, for amounts not yet due or that are being contested in good faith and for which adequate accruals or reserves have been established in the Unaudited Financial Information if required pursuant to US GAAP, (c) deposits made in the ordinary course of business consistent with past practice, (d) zoning, entitlement, building and land use regulations, customary covenants, defects of title, easements, rights-of-way, restrictions and other similar charges or encumbrances not, individually or in the aggregate, materially interfering with the use or occupancy of the affected property or the ordinary conduct of the Business thereon, (e) Liens that will be released prior to or as of the Closing, (f) Liens listed in Section 1.01(x) of the Seller Disclosure Schedule and (g) Liens arising under any of the Transaction Documents, but in all cases excluding any such Liens that secure the payment of borrowed money.

“**Person**” means any natural person, general or limited partnership, corporation, limited liability company, firm, association or other legal entity.

“**Pre-Closing Tax Asset**” means a Tax Asset of a Company generated during a Taxable period (or portion thereof) ending on or before the Closing Date.

“**Product and Service Extensions**” shall have the meaning set forth in Exhibit G.

“**Purchaser Benefit Plan**” means each Benefit Plan sponsored, maintained or contributed to by Purchaser or any of its Subsidiaries or with respect to which Purchaser or any of its Subsidiaries is a party and in which any Employee is or becomes eligible to participate or derive a benefit.

“**Release**” means any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, disposing, migrating, or other release of any Hazardous Materials at, in, on, under, to, from, through, into or onto the environment, including the abandonment or discard of barrels, containers, tanks or other receptacles containing any Hazardous Materials.

“**Seller Benefit Plan**” means each Benefit Plan sponsored, maintained or contributed to by Seller or any of its Subsidiaries or with respect to which Seller or any of its Subsidiaries is a party and in which any Employee is or becomes eligible to participate or derive a benefit.

“**Seller Disclosure Schedule**” means the disclosure schedule delivered by Seller to Purchaser on the date hereof.

“**Seller Group**” means any affiliated, consolidated, combined or unitary group (including any affiliated group of corporations as defined in Section 1504(a) of the Code) of which Seller or any of its Affiliates is a member.

“**Seller Subsidiaries**” means all the Subsidiaries of Seller other than the Companies and VeriSign Japan and its Subsidiaries.

“**Share Transfer Employees**” means each individual employed by the Companies.

“**Shared Software**” means all Software owned or licensed by the Seller and the Seller Subsidiaries as of the Closing Date that is necessary in order to conduct the Business

substantially in the manner and to the extent currently conducted or used by Seller in connection with the Business as of the Closing Date (other than the Transferred Software), where the functionality of such Software is material to the Business as of the Closing Date and cannot be replaced with Software providing comparable levels of performance and functionality at a cost of less than \$250,000, including the Software listed in Section 1.01(xi) of the Seller Disclosure Schedule. For the avoidance of doubt, Shared Software shall not include (a) any Software listed in Section 1.01(xii) of the Seller Disclosure Schedule, (b) any Software used to perform the Overhead and Shared Services that does not also perform functions outside the Overhead and Shared Services for the Business, or (c) any Software otherwise provided to Purchaser under the Transition Services Agreement.

“**Shares**” means the VeriSign Japan Shares and all equity, partnership, membership or similar ownership interests owned by Seller or a Seller Subsidiary in the Companies.

“**Software**” means all computer software, including assemblers, applets, compilers, source code, object code, binary libraries, development tools, design tools, user interfaces, databases and data, in any form or format, however fixed, and all associated documentation.

“**Straddle Period**” means any Taxable period that includes, but does not end on, the Closing Date.

“**Subsidiary**” of any Person means any corporation, partnership, limited liability company, joint venture or other legal entity of which such Person owns, directly or indirectly, a majority of the stock or other equity interests the holders of which are generally entitled to vote for the election of or act as the board of directors or other governing body of such corporation or other legal entity, or of which such Person is a general partner or managing member.

“**Tax**” or “**Taxes**” means any and all taxes, levies, imposts, duties or other assessments of any kind whatsoever, imposed by or payable to any federal, state, provincial, local, or foreign Governmental Authority responsible for the imposition or collection of such amounts (a “**Taxing Authority**”), including any gross income, net income, alternative or add-on minimum, franchise, profits or excess profits, gross receipts, estimated, capital, goods, services, documentary, use, transfer, ad valorem, business rates, value added, sales, customs, real or personal property, capital stock, license, payroll, withholding or back-up withholding on amounts paid to or by any Person, employment, social security, workers’ compensation, unemployment compensation, utility, severance, production, excise, stamp, occupation, premium, windfall profits, occupancy, transfer or gains taxes, together with any interest, penalties, additions to tax or additional amounts imposed with respect thereto, and any liability for any of the foregoing as transferee. The term “**Taxable**” shall have a correlative meaning.

“**Tax Asset**” means any net operating loss, net capital loss, investment tax credit, foreign tax credit, charitable deduction or any other credit or tax attribute that could be carried forward or back to reduce Taxes (including without limitation deductions and credits related to alternative minimum Taxes).

“**Tax Returns**” means all returns, reports (including declarations, disclosures, schedules, estimates and information returns) and other information required to be supplied to a Taxing Authority relating to Taxes.

“**Tax Sharing Agreement**” means any agreement or arrangement (whether or not written) entered into prior to the Closing binding any Company that provides for the allocation, apportionment, sharing or assignment of, or an indemnification for, any Tax liability or benefit, or the transfer or assignment of income, revenues, receipts, or gains for the purpose of determining any Person’s Tax liability.

“**Trademark License Agreement**” means the Trademark License Agreement to be executed by the parties thereto on the Closing Date, in the form of Exhibit I.

“**Transaction Documents**” means this Agreement, the Ancillary Agreements and any certificate or other document delivered by any party hereto or thereto in connection herewith or therewith.

“**Transactions**” means the transactions contemplated herein and in the Ancillary Agreements, including (a) the sale of the Shares and the Transferred Assets by Seller and the Seller Subsidiaries to Purchaser, (b) the assumption of the Assumed Liabilities by Purchaser and (c) the performance by Seller, the Seller Subsidiaries and Purchaser of their respective obligations under this Agreement and the Ancillary Agreements.

“**Transfer Taxes**” means all goods, services, excise, sales, use, real or personal property transfer, gross receipt (other than in lieu of income tax), documentary, value added, stamp, registration, filing, recordation and all other similar Taxes or other like charges, together with interest, penalties or additional amounts imposed with respect thereto; provided that the term Transfer Taxes shall not include VAT.

“**Transferred Employee Plans**” means Seller Benefit Plans in respect of which Liabilities are owed by a Company to its employees or former employees (including the Share Transfer Employees).

“**Transferred Equipment**” means fixtures, machinery, telecommunications, manufacturing and other equipment and other interests in tangible personal property owned by Seller or a Seller Subsidiary and that is used or held for use exclusively in the conduct of the Business (including the items listed on Section 1.01(xiii) of the Seller Disclosure Schedule), excluding in all cases any Intellectual Property Rights covering, embodied in or connected to any of the foregoing.

“**Transferred Intellectual Property**” means (a) those Patents (i) listed in Section 1.01(xiv)(a) of the Seller Disclosure Schedule (and any Patents directly or indirectly claiming priority thereto or issuing therefrom) or (ii) that are used (or held for use) exclusively in the conduct of the Business and owned by Seller or a Seller Subsidiary as of the Closing Date and identified as Transferred Assets prior to the Closing pursuant to Section 5.09(b); (b) those Trademarks (i) listed in Section 1.01(xiv)(b) of the Seller Disclosure Schedule or (ii) that are used (or held for use) primarily in the conduct of the Business and owned by Seller or a Seller Subsidiary as of the Closing Date and identified as Transferred Assets prior to the Closing

pursuant to Section 5.09(b); (c) those Copyrights (i) listed in Section 1.01(xiv)(c) of the Seller Disclosure Schedule, (ii) embodied in the Transferred Software, or (iii) that are used (or held for use) exclusively in the conduct of the Business and owned by Seller or a Seller Subsidiary as of the Closing Date and identified as Transferred Assets prior to the Closing pursuant to Section 5.09(b); (d) those Trade Secrets (i) embodied in other Transferred Intellectual Property or in Transferred Software or (ii) that are used (or held for use) exclusively in the conduct of the Business and owned by Seller or a Seller Subsidiary as of the Closing Date and identified as Transferred Assets prior to the Closing pursuant to Section 5.09(b); and (e) all rights to sue or recover and retain damages and costs and attorneys' fees for past, present and future infringement or misappropriation of any of the foregoing. For the avoidance of doubt, any intellectual property that is determined to be "Transferred Intellectual Property" after the Closing pursuant to Section 5.09(b) shall, from and after the date of such determination, be deemed to have been Transferred Intellectual Property for all purposes hereunder as of the Closing.

"Transferred Registered Intellectual Property" means any Transferred Intellectual Property that is issued, granted, or registered by or with any Governmental Authority or for which an application therefor has been filed with any Governmental Authority, including the Intellectual Property rights listed on Section 1.01(xiv) of the Seller Disclosure Schedule.

"Transferred Software" means the Software (a) listed in Section 1.01(xv) of the Seller Disclosure Schedule or (b) that is used (or held for use) primarily in the conduct of the Business and owned by Seller or a Seller Subsidiary as of the Closing Date and identified as Transferred Assets prior to the Closing pursuant to Section 5.09(b). For the avoidance of doubt, any software that is determined to be "Transferred Software" after the Closing pursuant to Section 5.09(b) shall, from and after the date of such determination, be deemed to have been Transferred Software for all purposes hereunder as of the Closing.

"Transition Services Agreement" means the Transition Services Agreement to be executed by the parties thereto on the Closing Date, in the form of Exhibit H.

"US GAAP" means generally accepted accounting principles in the United States in effect as of the time of preparation of the applicable financial statements or other financial information.

"VAT" means any value added Tax or goods and services Tax which, subject to meeting the procedural qualifying conditions for such recovery or repayment, is recoverable by way of credit or repayment.

"VeriSign Japan" means VeriSign Japan K.K., a Japanese stock company.

"VeriSign Japan Shares" means the 242,416 shares of capital stock of VeriSign Japan owned by Seller.

"Website Agreement" means the Website Agreement to be executed by the parties thereto on the Closing Date, in the form of Exhibit J.

SECTION 1.02. Other Defined Terms. The following terms have the meanings defined for such terms in the Sections set forth below:

| Term | Section |
|--|---------------------|
| 1993 Guaranty | Section 3.12(f) |
| 1993 Indemnity | Section 3.12(f) |
| Accounting Arbitrator | Section 2.04(f) |
| Accrued TE Liabilities | Section 6.02(a) |
| Additional Excluded Employee Severance | Section 6.01(a) |
| Additional Securities | Section 2.01(a)(ii) |
| Allocation Statement | Section 2.03(c) |
| Assumed Liabilities | Section 2.02(a) |
| ATLAS Software | Section 3.15(f) |
| Audited Financial Statements | Section 3.05(b) |
| Business Software | Section 3.15(f) |
| Calculation Principles | Section 2.04(a) |
| Cash Adjustment Amount | Section 2.04(c) |
| Claim Notice | Section 10.02(a) |
| Closing | Section 2.05 |
| Closing Date | Section 2.05 |
| Closing Net Cash | Section 2.04(b) |
| Closing Statement | Section 2.04(b) |
| Closing Modified Working Capital | Section 2.04(b) |
| Company Assets | Section 3.09(a) |
| Company Products and Services | Section 3.18 |
| Confidentiality Agreement | Section 5.03(a) |
| Copyrights | Section 1.01 |
| Coverage Period | Section 6.01(c) |
| EAR | Section 5.21 |
| Employment Terms | Section 6.01(b) |
| End Date | Section 9.01(b) |
| ERISA | Section 1.01 |
| Estimated Net Cash | Section 2.03(b) |
| Estimated Modified Working Capital | Section 2.03(b) |
| Excluded Assets | Section 2.01(b) |
| Foreign Acquisition Agreements | Section 2.01(c) |
| Historical Financial Statements | Section 5.18 |
| Indemnified Party | Section 10.02(a) |
| Indemnifying Party | Section 10.02(a) |
| Material Contracts | Section 3.13(a) |
| Modified Working Capital Adjustment Amount | Section 2.04(c) |
| Necessary Intellectual Property Rights | Section 3.15(a) |
| Nonassignable Asset | Section 2.09(a) |
| Noncompetition Period | Section 5.17(a) |
| Nonsublicenseable Asset | Section 2.09(c) |
| Non-U.S. TE | Section 6.01(a) |
| Offeree | Section 6.01(a) |
| Open Source Software | Section 3.15(f) |
| Opinion | Section 7.05(c) |
| Opinion Comments | Section 7.05(c) |
| Patents | Section 1.01 |
| Purchase Price | Section 2.03(a) |
| Purchaser | Preamble |
| Purchaser Competitive Business | Section 5.17(c) |

| Term | Section |
|--------------------------------------|---------------------|
| Purchaser Disagreement Notice | Section 2.04(e) |
| Purchaser Excluded Employee | Section 6.01(a) |
| Purchaser Existing Business | Section 5.17(d)(i) |
| Purchaser Indemnified Persons | Section 10.01(a) |
| Purchaser's Trademark and Logo | Section 5.13(a) |
| Restricted Assets | Section 2.09(d) |
| Retained Liabilities | Section 2.02(b) |
| SCI Settlement Agreement | Section 3.12(f) |
| SEC | Section 3.05(b) |
| Seller | Preamble |
| Seller Competitive Business | Section 5.17(a) |
| Seller Disagreement Notice | Section 2.11(b) |
| Seller Existing Business | Section 5.17(b) |
| Seller Indemnified Persons | Section 10.01(b) |
| Seller's Trademarks and Logos | Section 5.13(a) |
| Shared Contracts | Section 2.01(a)(x) |
| Software Audit | Section 5.02(d) |
| Special Employee Liability Statement | Section 2.11(a) |
| Specified Warranty | Section 10.01(c)(i) |
| Straddle Period Taxes | Section 7.04(c) |
| Tax Benefit | Section 7.04(e) |
| Tax Referee | Section 7.11 |
| Taxing Authority | Section 1.01 |
| Third-Party Claim | Section 10.02(a) |
| Trademarks | Section 1.01 |
| Trade Secrets | Section 1.01 |
| Transferred Assets | Section 2.01(a) |
| Transferred Employee | Section 6.01(a) |
| Transferred Leases | Section 3.10(b) |
| Unaudited Financial Information | Section 3.05(a) |
| VeriSign | Preamble |
| Visa Employees | Section 6.01(e) |
| WARN Act | Section 6.05 |

SECTION 1.03. Interpretation.

(a) Words in the singular shall include the plural and vice versa, and words of one gender shall include the other genders, in each case, as the context requires.

(b) The terms "hereof," "herein," and "herewith" and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement and not to any particular provision of this Agreement, and Article, Section, paragraph, Exhibit and Schedule references are to the Articles, Sections, paragraphs, Exhibits and Schedules to this Agreement unless otherwise specified.

(c) The word "including" and words of similar import shall mean "including, without limitation," whether or not they are in fact followed by those words or words of like import.

(d) The phrase “made available to Purchaser” shall consist of documents that were posted to the Intralinks data site relating to the Business prior to, and that remain accessible to Purchaser on, the date that is one day prior to the date of this Agreement or, if later, the date upon which such documents were required to be made available.

ARTICLE II
PURCHASE AND SALE OF SHARES AND TRANSFERRED ASSETS

SECTION 2.01. Purchase and Sale of Shares and Transferred Assets; Exclusion of Excluded Assets.

(a) On the terms and subject to the conditions set forth in this Agreement, at the Closing, Seller shall (or, as applicable, shall cause a Seller Subsidiary to sell, transfer, convey, assign and deliver to Purchaser and, subject to Section 2.01(e), its Subsidiaries, and Purchaser shall (or, as applicable, shall cause any such Subsidiary to) purchase and accept from Seller (or, as applicable, such Seller Subsidiary) all of Seller’s and the Seller Subsidiaries’ right, title and interest in and to (x) the Transferred Intellectual Property, Transferred Software and Assumed In–Licenses, (y) the Shares and (z) each of the other assets, properties and rights (other than Intellectual Property Rights), of every kind and description, wherever located, real, personal or mixed, tangible or intangible, known or unknown, used (or held for use) exclusively in the conduct of the Business as the same shall exist at the Closing, including all such assets acquired by Seller or the Seller Subsidiaries after the date hereof and all assets shown on the balance sheet set forth in the Unaudited Financial Information and not disposed of prior to the Closing, but in each case of (x), (y) and (z) excluding the Excluded Assets (such assets, properties and rights, including the Transferred Intellectual Property, Transferred Software and Assumed In–Licenses, but excluding the Shares and the Excluded Assets, the “**Transferred Assets**”), free and clear of all Liens other than Permitted Liens or Liens created by or through Purchaser or any of its Affiliates, including:

- (i) [Intentionally Omitted];
- (ii) the equity interests listed in Section 2.01(a)(ii) of the Seller Disclosure Schedule (the “**Additional Securities**”);
- (iii) the Assumed Contracts and Assumed In–Licenses, including all accounts receivable and prepaid expenses of the Business related thereto;
- (iv) the accounts receivable and prepaid expenses of the Business held by Seller and the Seller Subsidiaries not related to an Assumed Contract, Assumed In–License or a Shared Contract, to the extent reflected on the Closing Statement;
- (v) all claims, warranties, causes of action and rights of Seller and the Seller Subsidiaries to the extent relating to the Transferred Assets or the Assumed Liabilities;

- (vi) all books of account, present and former supplier and customer lists, correspondence, advertising, personnel and employment records, marketing and promotional materials (including website content), technical manuals and data, sales and purchase correspondence, records, documentation and files of the Companies (including, for clarification purposes, Tax Returns of the Companies that were not filed on a consolidated or combined basis with the Seller or any Affiliate of Seller that is itself not a Company);
- (vii) the Owned Real Property;
- (viii) the Transferred Equipment;
- (ix) copies of books of account, present and former supplier and customer lists, correspondence, advertising, personnel and employment records, marketing and promotional materials (including website content), technical manuals and data, sales and purchase correspondence, records, documentation and files, in each case used (or held for use) primarily in the conduct of the Business as of the Closing Date or primarily related to the Transferred Intellectual Property or the Transferred Software;
- (x) with respect to Contracts pursuant to which Seller (or one or more of the Seller Subsidiaries) provides to the counterparty both the services provided by the Business and other services, the rights thereunder (including in respect of any service order or work order) relating to the Business (such rights relating to the Business, the **"Shared Contracts"**);
- (xi) all transferable Permits used (or held for use) exclusively in the conduct of the Business, including the items listed on Section 3.08(b) of the Seller Disclosure Schedule;
- (xii) all goodwill associated exclusively with the Business or the Transferred Assets, together with the right to represent to third parties that Purchaser is the successor to the Business; and
- (xiii) all other tangible and intangible assets of any kind or description, wherever located, that are used or held for use exclusively in the conduct of the Business.
- (b) Notwithstanding anything in this Agreement to the contrary, Seller and the Seller Subsidiaries shall retain the rights, titles and interests in and to, and Purchaser shall have no rights (except to the extent otherwise provided for in this Agreement or any Ancillary Agreement) with respect to the following assets (such assets, the **"Excluded Assets"**):
- (i) all the business, properties, assets, goodwill and rights of whatever kind and nature, real or personal, tangible or intangible that are owned, leased or licensed by Seller and its Subsidiaries on the Closing Date and used or held for use primarily in the operation or conduct of any business of Seller and its Subsidiaries other than the Business;

(ii) the minute books, stock ledgers, Tax records and Tax-related documents of Seller and the Seller Subsidiaries, unless they relate exclusively to the Business or the Transferred Assets and are needed for Purchaser to meet its Tax compliance requirements for periods ending after the Closing Date;

(iii) all claims, warranties, causes of action and rights of Seller and its Subsidiaries against any third party relating to any Retained Liability or to any Liability for which Seller or any of the Seller Subsidiaries is responsible under this Agreement;

(iv) all rights of Seller and the Seller Subsidiaries under this Agreement and the Ancillary Agreements;

(v) except to the extent otherwise provided in Section 5.06, all current and prior insurance policies and all rights of any nature with respect thereto, including all insurance recoveries thereunder and rights to assert claims with respect to any such insurance recoveries;

(vi) any assets used primarily for the purpose of providing Overhead and Shared Services and, other than as provided in the Transition Services Agreement, any rights of the Business to receive from Seller or any of its Affiliates (other than the Companies) any Overhead and Shared Services;

(vii) all Software used or held for use by Seller and the Seller Subsidiaries, other than the Transferred Software;

(viii) except (A) for the Transferred Intellectual Property and (B) as otherwise expressly provided in the Ancillary Agreements, all rights relating to any Intellectual Property Rights owned by Seller or any of its Subsidiaries (including in the VeriSign word mark);

(ix) all cash, cash equivalents and bank accounts or similar cash items of Seller and the Seller Subsidiaries (whether or not reflected on the books of Seller or the Seller Subsidiaries as of the Closing Date);

(x) all stock or other equity interests in any Person, other than the Shares and Additional Securities;

(xi) all records prepared by Seller or any of its Subsidiaries or their respective advisors to facilitate the sale of the Shares and the Business to Purchaser and not otherwise related to the operation of the Business;

(xii) except as expressly set forth to the contrary in Article VI, all trust funds or other entities holding assets (or, in the case of a dedicated bank account held by Seller, the assets of such account) in respect of the Seller Benefit Plans; and

(xiii) any assets set forth in Section 2.01(b)(xiii) of the Seller Disclosure Schedule.

(c) Subject to the terms and conditions hereof, each of Purchaser and Seller shall (or, in the case of Seller, shall cause its applicable Subsidiaries to) enter into such agreements or instruments (the "**Foreign Acquisition Agreements**") providing for the sale, transfer, assignment or other conveyance of any Transferred Assets located outside the United States as, pursuant to requirements of applicable local Law, would be required or advisable to be documented separately from this Agreement, which Foreign Acquisition Agreements shall be negotiated in good faith between Seller and Purchaser, but in all events shall be consistent with the terms of this Agreement.

(d) Seller shall have the right to retain, following the Closing, copies of any book, record, literature, list and any other written or recorded information constituting Transferred Assets to which Seller in good faith determines it is reasonably likely to need access for bona fide legal, tax, accounting, litigation, federal securities disclosure or other similar purpose.

(e) Purchaser shall, and shall cause its Affiliates to, acquire the Shares and the Transferred Assets (i) in the manner described in the schedule set forth on Exhibit L or (ii) in a manner that is different from the schedule set forth on Exhibit L provided that the change would not either (A) impede or delay the Closing or (B) result in an aggregate increase in the amount of Swiss Taxes, Transfer Taxes and withholding Taxes that are borne by Seller, without Seller's written consent (such consent not to be unreasonably withheld, conditioned or delayed).

SECTION 2.02. Assumption of Assumed Liabilities; Retention of Retained Liabilities.

(a) On the terms and subject to the conditions set forth in this Agreement, at the Closing, Purchaser shall assume and become obligated to pay, perform and discharge when due, the following Liabilities of Seller or any Seller Subsidiary, whether accrued or arising before, on or after the Closing, but in each case excluding the Retained Liabilities (such Liabilities, the "**Assumed Liabilities**"):

(i) all Liabilities to the extent relating to the Transferred Assets (including any Nonassignable Assets and the Nonsublicenseable Assets to the extent attributable to the Business) or conduct of the Business;

(ii) all Liabilities under the Assumed Contracts, the Assumed In-Licenses and the Shared Contracts;

(iii) all accounts payable and accrued expenses of the Business not related to an Assumed Contract, Assumed In-License or a Shared Contract, to the extent reflected on the Closing Statement;

(iv) all Liabilities that are to be expressly assumed by Purchaser pursuant to Section 5.21;

(v) all product liability, professional liability, intellectual property infringements or any other claims arising out of the sale and/or use of products or services sold in connection with the Business (regardless of when manufactured or provided);

(vi) except to the extent otherwise provided in Section 2.02(b), all Liabilities (A) relating to the Business or the Transferred Assets and (B) arising under Environmental Laws; and

(vii) all Liabilities identified in Section 2.02(a)(vii) of the Seller Disclosure Schedule.

(b) Notwithstanding any provision in this Agreement or any other writing to the contrary, Purchaser is assuming only the Assumed Liabilities and is not assuming any other Liability of Seller or any Seller Subsidiary (or any predecessor of Seller or any Seller Subsidiary or any prior owner of all or part of its respective businesses and assets) of whatever nature, whether presently in existence or arising hereafter. Seller or the relevant Seller Subsidiary shall retain, and shall be fully responsible for paying, performing and discharging when due, all such Liabilities (whether accrued or arising before, on or after the Closing), including the following Liabilities (such Liabilities, the "**Retained Liabilities**"):

(i) except to the extent provided in Article VI, any Liabilities relating to employee benefits or compensation arrangements existing on or prior to the Closing, including any Liabilities under any of Seller's employee benefit agreements, plans or other arrangements;

(ii) all Liabilities relating to an Excluded Asset;

(iii) any Liability allocated to Seller under Article VII;

(iv) all Liabilities for any Indebtedness of Seller or any of its Subsidiaries (other than VeriSign Japan);

(v) all Liabilities of Seller arising under this Agreement or any Ancillary Agreement; and

(vi) (A) all Liabilities subject to indemnification by Seller under Section 10.01(a)(i) arising out of a breach of the representations and warranties of Seller in Section 3.12 and (B) all Liabilities arising in connection with or in any way relating to any Release of Hazardous Materials to soil, groundwater, surface water, sediments or other media (other than air) at, in, from, on or under the Owned Real Property, to the extent such Release was caused by Seller or its Subsidiaries (other than VeriSign Japan) on or prior to Closing.

SECTION 2.03. Purchase Price: Allocation of Purchase Price.

(a) Subject to the terms and conditions of this Agreement, in consideration of the transfer of the Shares and the Transferred Assets under Section 2.01, Purchaser shall:

(i) pay to Seller as provided in Section 2.04 and Section 2.07:

(A) the amount of cash (the "**Purchase Price**") equal to the Base Purchase Price plus the Modified Working Capital Amount, plus

(B) the Closing Net Cash, and

(ii) assume and become obligated to pay, perform and discharge the Assumed Liabilities.

(b) For purposes of determining the amount of cash to be paid by Purchaser to Seller at the Closing pursuant to Section 2.07, Seller shall prepare and deliver, not less than five (5) Business Days before the Closing Date, a good faith estimate as of the Closing Date of (i) the Modified Working Capital (such estimated amount, the "**Estimated Modified Working Capital**") and (ii) the Net Cash (such estimated amount, the "**Estimated Net Cash**").

(c) As soon as practicable after the Closing, Seller shall deliver to Purchaser a statement (the "**Allocation Statement**") which shall allocate the Base Purchase Price, the Estimated Modified Working Capital, Assumed Liabilities and Estimated Net Cash among the Shares and the Transferred Assets (which shall be further allocated to the purchasing entities) for all Tax purposes, including for purposes of Section 1060 of the Code and the Treasury Regulations thereunder. If within 15 Business Days after the delivery of the Allocation Statement Purchaser notifies Seller that Purchaser objects to the allocation set forth in the Allocation Statement, Purchaser and Seller shall use commercially reasonable efforts to resolve such dispute within 20 days. In the event that Purchaser and Seller are unable to resolve such dispute within 20 days, Seller and Purchaser shall jointly retain a nationally recognized accounting firm to resolve the disputed items. Upon resolution of the disputed items, the allocation reflected on the Allocation Statement shall be adjusted to reflect such resolution. The costs, fees and expenses of the accounting firm shall be borne equally by Seller and Purchaser. If an adjustment is made with respect to the final Purchase Price or Closing Net Cash pursuant to Section 2.04, the Allocation Statement shall be adjusted in accordance with Section 1060 of the Code and as mutually agreed by Purchaser and Seller. In the event that an agreement is not reached within 20 Business Days after the determination of the final Purchase Price and Closing Net Cash, any disputed items shall be resolved by a nationally recognized accounting firm in the manner described above. For all Tax purposes, the parties agree (i) to report, and cause their respective Subsidiaries to report, the transactions contemplated by this Agreement in a manner consistent with the Allocation Statement, and not to take any position inconsistent therewith in any Tax Return, Tax filing (including filings required under Section 1060 of the Code), audit, refund claim or otherwise, unless otherwise required by applicable Law.

SECTION 2.04. Payment Adjustment.

(a) Seller has prepared the attached Exhibit E, which lists the current asset and current liability accounts of the Business that are relevant for the determination of the Modified Working Capital and sets forth the accounting principles, methodologies and policies to be used

in such determination (the “**Calculation Principles**”) as well as the format for the presentation of the Modified Working Capital calculation.

(b) As promptly as practicable (and in any event within 60 days after the Closing), Seller shall deliver to Purchaser a written statement (the “**Closing Statement**”) that shall contain Seller’s final calculation of (i) the Modified Working Capital as of the Closing Date prepared on the basis of, and applying, the Calculation Principles (the “**Closing Modified Working Capital**”), (ii) the Modified Working Capital Amount, (iii) the Net Cash as of the Closing Date (the “**Closing Net Cash**”), (iv) the Modified Working Capital Adjustment Amount, (v) the Cash Adjustment Amount and (vi) the final Purchase Price.

(c) For purposes hereof, “**Modified Working Capital Adjustment Amount**” means the difference (which may be a positive or negative number) between (i) the Modified Working Capital Amount and (ii) the Estimated Modified Working Capital Amount. For purposes hereof, “**Cash Adjustment Amount**” means the difference (which may be a positive or negative number) between (i) the Closing Net Cash and (ii) the Estimated Net Cash.

(d) If the sum of the Modified Working Capital Adjustment Amount as finally determined in accordance with this Section 2.04 plus the Cash Adjustment Amount as finally determined in accordance with this Section 2.04 (i) is a positive number, Purchaser shall pay to Seller an amount equal to such amount, or (ii) is a negative number, Seller shall pay to Purchaser an amount equal to the absolute value of such amount, in either case by wire transfer, within three Business Days after the final determination of the Modified Working Capital Adjustment Amount and the Cash Adjustment Amount, of immediately available funds to an account designated by the party receiving payment, plus interest on such amount accrued from the Closing Date to the date of such payment at the prime rate applicable from time to time as announced by Citibank, N.A. Such interest shall be calculated daily on the basis of a year of 365 days and the actual number of days elapsed. For the avoidance of doubt, if the Modified Working Capital Adjustment Amount plus the Cash Adjustment Amount as finally determined in accordance with this Section 2.04 is equal to \$0.00, no payment shall be made by or to either party pursuant to this Section 2.04.

(e) Promptly upon request, Purchaser will provide Seller and its accountants access to the books, records and personnel of the Companies and the Business throughout the periods during which the Closing Statement is being prepared and any disputes that may arise under this Section 2.04 are being resolved. If Purchaser disagrees with the determination of the Closing Statement, Purchaser shall notify Seller of such disagreement within 45 days after delivery of the Closing Statement (such notice, the “**Purchaser Disagreement Notice**”). The Purchaser Disagreement Notice shall set forth, in reasonable detail, any disagreement with, and any requested adjustment to, the Closing Statement. Matters as to which Purchaser may submit disagreements (and the Purchaser Disagreement Notice) shall be limited to whether the Closing Statement delivered by Seller was prepared on the basis of, and using, the Calculation Principles, and Purchaser shall not be entitled to submit disagreements on any other basis (including as to whether such Calculation Principles are or were appropriate). If Purchaser fails to deliver the Purchaser Disagreement

Notice by the end of such 45-day period, Purchaser shall be deemed to have accepted the Closing Statement delivered by Seller. Matters included in the calculations in the Closing Statement to which Purchaser does not object in the Purchaser Disagreement Notice shall be deemed accepted by Purchaser and shall not be subject to further dispute or review. During the period prior to Purchaser's delivery of any Purchaser Disagreement Notice, Purchaser shall have reasonable access to all documents, schedules and workpapers used by Seller in the preparation of the Closing Statement. Purchaser and Seller shall negotiate in good faith to resolve any such disagreement with respect to the Closing Statement and any resolution agreed to in writing by Purchaser and Seller shall be final and binding upon the parties.

(f) If Purchaser and Seller are unable to resolve any disagreement as contemplated by paragraph (e) of this Section 2.04 or paragraph (b) of Section 2.11 within 30 days after delivery of a Seller Disagreement Notice or Purchaser Disagreement Notice, as applicable, Purchaser and Seller shall jointly select a partner at a mutually agreeable accounting firm to resolve such disagreement. If Purchaser and Seller are unable to reach agreement on the identity of such a partner within 20 days after the expiration of such 30-day period, either party may request that a partner at a nationally recognized accounting firm be appointed by the American Arbitration Association. The individual so selected shall be referred to herein as the "**Accounting Arbitrator**." The parties shall instruct the Accounting Arbitrator to consider only those items and amounts set forth in the Closing Statement or Special Employee Liabilities Statement, as applicable, as to which Purchaser and Seller have not resolved their disagreement. Purchaser and Seller shall use commercially reasonable efforts to cause the Accounting Arbitrator to deliver to the parties, as promptly as practicable (and in no event later than 30 days after his or her appointment), a written report setting forth the resolution of any such disagreement determined in accordance with the terms of this Agreement. Such report shall be final and binding upon the parties. In the event the Accounting Arbitrator concludes that either party was correct as to sixty-five percent or more (by dollar amount) of the disputed items, then the other party shall pay the Accounting Arbitrator's fees, costs and expenses. In the event the Accounting Arbitrator fails to make such conclusion, then each party shall pay one-half the Accounting Arbitrator's fees, costs and expenses.

(g) Purchaser and Seller agree that any payments made pursuant to this Section 2.04 or Section 2.11 shall be allocated in a manner consistent with the allocation referred to in Section 2.03(c).

SECTION 2.05. Closing. Subject to the terms and conditions of this Agreement, the sale and purchase of the Shares and the Transferred Assets and the assumption of the Assumed Liabilities, all as contemplated hereby, shall take place at a closing (the "**Closing**") to be held at 11:00 AM, Eastern time, on the third Business Day following the satisfaction or waiver of all of the conditions to the obligations of the parties set forth in Article VIII (other than conditions to be satisfied at the Closing, but subject to the waiver or fulfillment of those conditions) (the day on which the Closing takes place being the "**Closing Date**"), at the offices of Cleary Gottlieb Steen & Hamilton LLP located at One Liberty Plaza, New York, New York, or at such other place as Seller and Purchaser may mutually agree upon in writing. Notwithstanding the terms set forth in the immediately preceding sentence, if, at any time prior to July 18, 2010, all of the conditions to the obligations of the parties set forth in Article VIII (other than conditions to be satisfied at the Closing) are satisfied or waived, then Purchaser may, at its sole discretion and upon written notice to Seller delivered within 24 hours following the satisfaction or waiver of such conditions, postpone the Closing Date until July 18, 2010; provided that in such event the conditions to the Closing set forth in Section 8.03(a), Section 8.03(b), Section

8.03(b), Section 8.03(c) and Section 8.03(e), and any right of Purchaser to terminate this Agreement pursuant to Section 9.01(d), shall be deemed to be waived by Purchaser. Legal title, equitable title and risk of loss with respect to the Shares and the Transferred Assets will transfer to Purchaser, and the Assumed Liabilities will be assumed by Purchaser, at the Closing, which transfer and assumption will be deemed effective for accounting and other computational purposes as of 12:01 a.m. (Eastern Time) on the Closing Date.

SECTION 2.06. Closing Deliveries by Seller. At the Closing, Seller shall deliver or cause to be delivered to Purchaser:

(a) evidence reasonably satisfactory to Purchaser of the completion of the requisite procedures necessary to transfer the VeriSign Japan Shares to a securities account designated by Purchaser in a written notice to Seller at least two Business Days prior to the Closing Date;

(b) certificates for the Shares (other than the VeriSign Japan Shares) duly endorsed or accompanied by stock powers duly endorsed in blank, with any required transfer stamps affixed thereto or other evidence reasonably satisfactory to Purchaser of the sale and transfer at the Closing of the Shares to Purchaser;

(c) a counterpart of each of the Ancillary Agreements, executed by each of Seller and the Seller Subsidiaries that is a party thereto, to the extent not delivered prior to the Closing;

(d) a FIRPTA affidavit in the form set forth in the regulations under Section 1445(b)(2) of the Code certifying that, as of the Closing Date, Seller is not a "foreign person;" and

(e) any other documents required pursuant to this Agreement or reasonably requested by Purchaser.

SECTION 2.07. Closing Deliveries by Purchaser. At the Closing, Purchaser shall deliver or cause to be delivered to Seller:

(a) a counterpart of each of the Ancillary Agreements, executed by each of Purchaser and its Subsidiaries that is a party thereto, to the extent not delivered prior to the Closing;

(b) an amount equal to (i) the Estimated Purchase Price plus (ii) the Estimated Net Cash, by wire transfer in immediately available funds to an account or accounts designated by Seller in a written notice to Purchaser at least two Business Days prior to the Closing Date; and

(c) any other documents required pursuant to this Agreement or reasonably requested by Seller.

SECTION 2.08. Accounting. To the extent that, after the Closing, (a) Purchaser or any of its Subsidiaries (including the Companies) receives any payment or instrument that is

for the account of Seller or any of the Seller Subsidiaries according to the terms of this Agreement, Purchaser shall promptly deliver such amount or instrument to Seller, and (b) Seller or any of the Seller Subsidiaries receives any payment or instrument that is for the account of Purchaser or any of its Subsidiaries (including the Companies) according to the terms of this Agreement, Seller shall promptly deliver such amount or instrument to Purchaser.

SECTION 2.09. Nonassignable; Nonsublicenseable Assets.

(a) Nothing in this Agreement, nor the consummation of the transactions contemplated hereby, shall be construed as an attempt or agreement to assign or transfer any Transferred Asset (including any Assumed Contract, Assumed In–License or Shared Contract) to Purchaser which by its terms or by Law is nonassignable without a Consent (a “**Nonassignable Asset**”), unless and until such Consent shall have been obtained. To the extent permitted by applicable Law and by the terms of the applicable Nonassignable Asset, such Nonassignable Asset shall be held, as of and from the Closing, by Seller (or the relevant Seller Subsidiary) for the benefit and burden of Purchaser and the covenants and obligations thereunder shall be fully performed by Purchaser on Seller’s (or such Seller Subsidiary’s) behalf and all rights and Liabilities existing thereunder shall be for Purchaser’s account. For the avoidance of doubt, the designation of a Transferred Asset as a Nonassignable Asset does not render it an Excluded Asset.

(b) Seller and Purchaser will use their reasonable best efforts (but without making any payment or delivering anything of value to any third party by Seller or Purchaser) to obtain the Consent of the other parties to any such Nonassignable Asset or any claim or right or any benefit arising thereunder for the assignment thereof to Purchaser as Purchaser may request. If such Consent is not obtained, to the extent permitted by applicable Law and by the terms of the applicable Nonassignable Asset, Seller and Purchaser shall use reasonable best efforts to take, or cause to be taken, such actions as the other party may reasonably request that are required to be taken or appropriate in order to provide Purchaser with the benefits and burdens of the Nonassignable Assets with respect to the portion of rights thereunder attributable to the Business (but without any obligation to make any payment or delivering anything of value to any third party by Seller or Purchaser), including, to the extent permissible, sub–contracting, sub–licensing, or sub–leasing to Purchaser the portion of such rights attributed to the Business, or under which Seller would enforce for the benefit and burden of Purchaser, with Purchaser assuming Seller’s obligations, any and all rights of Seller against a third party thereto. Seller shall promptly pay over to Purchaser the net amount (after reasonable out–of–pocket expenses and any required Taxes) of all payments received by it (or a Seller Subsidiary) in respect of all Nonassignable Assets.

(c) Nothing in this Agreement, nor the consummation of the transactions contemplated hereby, shall be construed as an attempt or agreement to subcontract, sublicense, or sublease any rights under any Contract (including in connection with any Shared Software to be licensed pursuant to the terms of Section 5.09) to Purchaser, which by its terms or by Law cannot be subcontracted, sublicensed, or subleased without a Consent (a “**Nonsublicenseable Asset**”), unless and until such Consent shall have been obtained. To the extent permitted by applicable Law and by the terms of the applicable Nonsublicenseable Asset, Seller and Purchaser shall use reasonable best efforts to take, or cause to be taken, such actions as the other party may

reasonably request that are required to be taken or appropriate in order to provide Purchaser with the benefits and burdens of a Nonsublicensesable Asset with respect to the portion of rights thereunder attributable to the Business (but without any obligation to make any payment or delivering anything of value to any third party by Seller or Purchaser), including, to the extent permissible, subcontracting, sublicensing, or subleasing to Purchaser the portion of such rights attributed to the Business.

(d) Nothing in this Section 2.09 shall require Seller or any Seller Subsidiary to renew any Nonassignable Asset or Nonsublicenseable Asset (collectively, "**Restricted Assets**") that is an Assumed Contract, Assumed In-License or a Shared Contract, or a third party Contract regarding Shared Software. Any assignment, subcontract, sublease or sublicense of a Restricted Asset pursuant to the consummation of the transactions contemplated hereunder shall be subject to the terms and conditions of the underlying Contract.

(e) For the avoidance of doubt, if Consent is obtained with regard to assignment of any Assumed In-License, Seller and Purchaser shall use reasonable best efforts to take, or cause to be taken, such actions as the other party may reasonably request that are required to be taken or appropriate in order to provide Seller with the benefits and burdens of such an Assumed In-License with respect to the portion of rights thereunder attributable to the Seller Existing Businesses (but without any obligation to make any payment or delivering anything of value to any third party by Seller or Purchaser), including, to the extent permissible, sub-contracting, sub-licensing, or sub-leasing to Seller the portion of such rights attributed to the Seller Existing Businesses.

SECTION 2.10. Withholding Rights. Subject to Section 2.01(e), Purchaser and its Affiliates and agents shall be entitled to deduct and withhold any applicable Taxes, from the consideration otherwise payable pursuant to this Agreement. To the extent that amounts are so deducted and withheld, such deducted and withheld amounts shall be treated for all purposes of this Agreement as having been paid to Seller. Promptly after any such amounts are paid or remitted to the applicable Taxing Authority, Purchaser or its relevant Affiliate shall deliver to Seller a certified copy of a receipt or other evidence of such payment.

SECTION 2.11. Special Employee Liabilities.

(a) Within 180 days after the Closing Date, Purchaser shall deliver to Seller a written statement (the "**Special Employee Liabilities Statement**") that shall, in reasonable detail, contain Purchaser's good-faith calculation, and set forth the accounting principles, methodologies and policies used in the determination, of (i) the amount of all Liabilities arising from the employment and termination of the Excluded Employees by Purchaser or its Subsidiaries plus (ii) the amount of Accrued TE Liabilities, in each case paid or accrued by Purchaser or any of its Subsidiaries through the date of such Special Employee Liabilities Statement. Purchaser and Seller shall reasonably cooperate in connection with the employment and termination of any Excluded Employee for the purpose of minimizing the Liabilities subject to this Section 2.11. The Special Employee Liabilities Statement shall not include any Liabilities relating to any Excluded Employee that Purchaser determines to engage in the provision of services (other than pursuant to the Transition Services Agreement) to Purchaser or its Subsidiaries in any substantive manner following the Closing Date.

(b) If Seller disagrees with the determination of the Special Employee Liabilities Statement, Seller shall notify Purchaser of such disagreement within 45 days after delivery of the Special Employee Liabilities Statement (such notice, the “**Seller Disagreement Notice**”). The Seller Disagreement Notice shall set forth, in reasonable detail, any disagreement with, and any requested adjustment to, the Special Employee Liabilities Statement and Seller’s calculation of any amounts therein to which it disagrees. If Seller fails to deliver the Seller Disagreement Notice by the end of such 45-day period, Seller shall be deemed to have accepted the Special Employee Liabilities Statement delivered by Purchaser. Matters included in the calculations in the Special Employee Liabilities Statement to which Seller does not object in the Seller Disagreement Notice shall be deemed accepted by Seller and shall not be subject to further dispute or review. During the period prior to Seller’s delivery of any Seller Disagreement Notice, Seller shall have reasonable access to all documents, schedules and workpapers used by Purchaser in the preparation of the Special Employee Liabilities Statement. Purchaser and Seller shall negotiate in good faith to resolve any such disagreement with respect to the Special Employee Liabilities Statement and any resolution agreed to in writing by Purchaser and Seller shall be final and binding upon the parties. If Purchaser and Seller are unable to resolve any disagreement as contemplated in this paragraph within 30 days after delivery of a Seller Disagreement Notice, Purchaser and Seller shall engage in arbitration in accordance with the procedures set forth in Section 2.04(f).

(c) Within three Business Days of the determination made in accordance with Section 2.11(b) and/or Section 2.04(f) of the final amounts payable as set forth in the Special Employee Liabilities Statement, Seller shall pay to Purchaser all such amounts, by wire transfer, of immediately available funds to an account designated by Purchaser.

ARTICLE III REPRESENTATIONS AND WARRANTIES OF SELLER

Except (a) as set forth in the Seller Disclosure Schedule, (b) as contemplated by this Agreement or (c) to the extent relating solely to the Excluded Assets, the Retained Liabilities or any of the operations of Seller or the Seller Subsidiaries other than the Business, Seller represents and warrants to Purchaser that all of the statements contained in this Article III are true as of (i) the date of this Agreement and (ii) the earlier of (A) the Closing Date and (B) if Purchaser elects to postpone the Closing pursuant to Section 2.05, the date on which all of the conditions to the obligations of the parties set forth in Article VIII (other than conditions to be satisfied at the Closing) are satisfied or waived (or, if made as of a specified date, as of such date). For purposes of the representations and warranties of Seller contained herein, disclosure in any section of the Seller Disclosure Schedule of any facts or circumstances shall be deemed to be adequate response and disclosure of such facts or circumstances with respect to all representations or warranties by Seller calling for disclosure of such information, whether or not such disclosure is specifically associated with or purports to respond to one or more of such representations or warranties, but only if the relevance of that disclosure as an exception to (or a disclosure for purposes of) such representations and warranties would be reasonably apparent to a reasonable person who has read that disclosure and such representations and warranties. The inclusion of any information in any section of the Seller Disclosure Schedule or other document delivered by Seller pursuant to this Agreement shall not be deemed to be an admission or

evidence of the materiality of such item, nor shall it establish a standard of materiality for any purpose whatsoever.

SECTION 3.01. Organization and Good Standing.

(a) Seller, and each Seller Subsidiary that is or will be a party to any of the Ancillary Agreements, is duly organized, validly existing and in good standing under the Laws of its jurisdiction of organization and has all requisite power and authority to own, lease and operate its properties and to carry on its business as it is now being conducted. Seller and each such Seller Subsidiary is duly licensed or qualified to do business in each jurisdiction in which the properties owned or leased by it or the operation of its business makes such licensing or qualification necessary, except to the extent that the failure to be so licensed or qualified would not reasonably be expected to have, individually or in the aggregate, a materially adverse effect upon Seller's or such Seller Subsidiaries' ability to carry out its obligations under this Agreement and the Ancillary Agreements to which it is or will be a signatory, and to consummate the Transactions.

(b) Each of the Companies is duly organized, validly existing and in good standing under the Laws of its jurisdiction of organization and has all requisite power and authority to own, lease and operate its properties and to carry on its business as it is now being conducted. Each of the Companies is duly licensed or qualified to do business in each jurisdiction in which the properties owned or leased by it or the operation of its business makes such licensing or qualification necessary, except to the extent that the failure to be so licensed or qualified would not have or reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

SECTION 3.02. Authority. Seller, and each Seller Subsidiary that is or will be a party thereto, has full power and authority to execute and deliver this Agreement and the Ancillary Agreements to which it is or will be a signatory and to perform its obligations hereunder and thereunder. The execution, delivery and performance by Seller and each such Seller Subsidiary of this Agreement and each Ancillary Agreement to which it is or will be a signatory has been duly authorized by all requisite corporate or other similar action on the part of Seller and each such Seller Subsidiary. This Agreement has been, and upon execution each Ancillary Agreement will be, duly executed and delivered by Seller and each such Seller Subsidiary that is or will be a party thereto and (assuming due authorization, execution and delivery by Purchaser and, if applicable in the case of the Ancillary Agreements, by each Subsidiary of Purchaser that is or will be a party thereto, including the Companies), this Agreement constitutes, and each Ancillary Agreement to which Seller or any such Seller Subsidiary is or will be a party constitutes or, when so executed and delivered, will constitute, a legal, valid and binding obligation of Seller and each such Seller Subsidiary, enforceable against Seller and each such Seller Subsidiary in accordance with its terms, subject only to the effect, if any, of (a) applicable bankruptcy and other similar Laws affecting the rights of creditors generally and (b) Laws governing specific performance, injunctive relief and other equitable remedies.

SECTION 3.03. No Conflict; Consents and Approvals. Subject, in the case of clauses (ii) and (iii) below, to the filing by Seller of reports under the Exchange Act and as

contemplated by the rules of Nasdaq, and to the requirements of the HSR Act and any filings or applications required under the laws of any non-U.S. jurisdiction, none of (a) the execution and delivery by Seller or, if applicable in the case of the Ancillary Agreements, any Seller Subsidiary, of this Agreement and the Ancillary Agreements to which it is or will be a party, (b) the consummation by Seller or any such Seller Subsidiary of the Transactions or (c) the compliance by Seller or any Seller Subsidiary with any of the provisions hereof or thereof, as the case may be, will:

(i) conflict with, or result in the breach of, any provision of the certificate of incorporation or by-laws or other organizational documents of the Companies, Seller or any Seller Subsidiary;

(ii) require the Companies, Seller or any Seller Subsidiary to make any material filing with, or obtain any material Consent from, any Governmental Authority;

(iii) conflict with, violate or result in the breach by the Companies, Seller or any Seller Subsidiary in any material respect of any applicable Law;

(iv) constitute a default under or give rise to any right of notice, consent, termination, cancellation or acceleration of any right or obligation of Seller, any Seller Subsidiary or any of the Companies or to a loss of any benefit relating to the Business to which Seller, any Seller Subsidiary or any of the Companies is entitled under any provision of any Material Contract or Transferred Lease; or

(v) result in the creation of any Lien (other than any Permitted Lien or any Lien created by or through Purchaser) upon any of the Shares, the Transferred Assets or assets owned by the Companies;

except in the case of clause (iv) for such matters that would not have or reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect or a material adverse effect upon Seller's or any such Seller Subsidiary's ability to carry out its respective obligations under, and to consummate, or to impede or delay in any material respect the consummation of, the Transactions.

SECTION 3.04. Capitalization; Title to Shares; Equity Interests.

(a) The authorized capital stock and number of shares or other equity, partnership, membership or similar ownership interests that are issued and outstanding of each Company are listed in Section 1.01(iii) of the Seller Disclosure Schedule, together with the number of Shares of each Company and VeriSign Japan owned by Seller or a Seller Subsidiary. (i) The Shares have been validly issued and are fully paid and nonassessable and are owned by Seller, a Seller Subsidiary or a Company free and clear of all Liens and any other material limitation or restriction (including any restriction on the right to vote, sell or otherwise dispose of the Shares) and (ii) Seller, a Seller Subsidiary or a Company will transfer and deliver to Purchaser at the Closing valid title to the Shares free and clear of any Lien and any such limitation or restriction.

(b) There are no outstanding or authorized options, convertible or exchangeable securities or instruments, warrants, rights, contracts, calls, puts, rights to subscribe, conversion rights or other agreements or commitments to which Seller, a Seller Subsidiary or a Company is a party or which are binding on any of them providing for the issuance, disposition, redemption, repurchase or acquisition of any equity, partnership, membership or similar ownership interest of a Company or VeriSign Japan. There are no voting trusts, proxies or other agreements or understandings with respect to the voting of any equity, membership, partnership or similar ownership interest of a Company or the VeriSign Japan Shares.

(c) No Company owns or holds of record or beneficially any equity interests in any corporation, limited liability company, partnership, business trust, joint venture or other Person.

(d) To the Knowledge of Seller, none of the Additional Securities are subject to any mandatory "capital call" or similar obligation to contribute assets or capital to the Person to which such Additional Securities relate, other than such obligations the breach of which would result solely in the dilution of the holder of such Additional Securities or the loss of rights related to the investment in such Additional Securities.

SECTION 3.05. Financial Information.

(a) Seller has provided Purchaser with the unaudited financial information relating to the Business set forth in Section 3.05(a) of the Seller Disclosure Schedule (the "**Unaudited Financial Information**"). The Unaudited Financial Information has been prepared in good faith on the bases described therein and derived from the financial books and records maintained by Seller and the Companies for the Business. The Unaudited Financial Information (i) represents Seller's good faith estimate of the balance sheet accounts and results of operations data set forth therein for the Business as if the Business had been held and operated on a stand-alone basis, (ii) fairly presents, in accordance with US GAAP applied on a consistent basis, the revenues of the Business for the periods presented therein and (iii) has been prepared using the accounting policies used by Seller in the preparation of the Audited Financial Statements, except for (A) the application of U.S. Securities and Exchange Commission Staffing Accounting Bulletin Topic 1B and related interpretations pertaining to the fair presentation of carve-out financial statement prepared under US GAAP including the related notes to financial statements presented, (B) the presentation of certain long-lived and indefinite-lived intangible assets including goodwill and any required assessment of long-lived and indefinite-lived intangible asset impairments or requirements to adjust such assets to fair value and (C) other matters described in Section 3.05(a) of the Seller Disclosure Schedule.

(b) Each of the consolidated financial statements (including, in each case, any related notes thereto) contained in the registration statements, prospectuses, reports, schedules, forms, statements and other documents (including exhibits and all other information incorporated by reference) filed or furnished by Seller with the Securities and Exchange Commission ("**SEC**") since January 1, 2008 (the "**Audited Financial Statements**") (i) complied as to form in all material respects with the published rules and regulations of the SEC with respect thereto as of their respective dates; (ii) was prepared in accordance with US GAAP applied on a consistent basis throughout the periods involved (except as may be indicated in the notes thereto and, in the

case of unaudited interim financial statements, as may be permitted by the SEC for Quarterly Reports on Form 10-Q; and (iii) fairly presented in all material respects the consolidated financial position of Seller and its consolidated Subsidiaries at the respective dates thereof and the consolidated results of Seller's operations and cash flows for the periods indicated therein, subject, in the case of unaudited interim financial statements, to normal and year-end audit adjustments as permitted by US GAAP and the applicable rules and regulations of the SEC.

(c) There are no Liabilities of the Business of any kind whatsoever, whether accrued, contingent, absolute, determined, determinable or otherwise, other than: (i) Liabilities disclosed in the most recent balance sheet of the Business contained in the Unaudited Financial Information; (ii) Liabilities that were incurred in the ordinary course of business consistent with past practice since the date of such balance sheet; (iii) Liabilities arising under the Assumed Contracts, the Assumed In-Licenses or any Contracts to which a Company is a party (excluding Liabilities resulting from Seller's or any of its Subsidiaries' breach of such Contract); and (iv) other Liabilities which, individually or in the aggregate, are not material to the Business.

SECTION 3.06. Absence of Certain Changes or Events. Except as contemplated by this Agreement, since December 31, 2009 through the date hereof, (a) the Business has been conducted only in the ordinary course of business consistent with past practice, (b) the Business has not suffered any Material Adverse Effect and no event has occurred or circumstance exists that would reasonably be expected to have a Material Adverse Effect and (c) there has not been any action by Seller or any of its Affiliates (including the Companies) that, if taken after the date hereof, would constitute a breach of Seller's obligations under Section 5.01.

SECTION 3.07. Absence of Litigation. There are no material Actions relating to the Business pending or, to the Knowledge of Seller, threatened against the Companies, Seller or any Seller Subsidiaries in respect of the Business or any Transferred Asset, and there are no Actions pending or, to the Knowledge of Seller, threatened against the Companies, Seller or any Seller Subsidiaries that challenge or seek to prevent, enjoin or delay the Transactions.

SECTION 3.08. Compliance with Laws: Permits.

(a) No Company is in material violation of, or has materially violated since January 1, 2007, any Law and neither Seller nor any Seller Subsidiary is in material violation of, or has materially violated since January 1, 2007, any Law in connection with the Business or the Transferred Assets.

(b) Section 3.08(b) of the Seller Disclosure Schedule lists each material Permit together with the name of the Governmental Authority issuing such Permit. Each material Permit is valid and in full force and effect in all material respects. The Companies, Seller and the Seller Subsidiaries have obtained, and are, and since January 1, 2007, have been in compliance with, all material Permits in all material respects.

SECTION 3.09. Sufficiency and Ownership of Assets.

(a) The assets and rights of the Companies (the "**Company Assets**"), together with the Transferred Assets and the rights of Purchaser and the Companies under this Agreement

and the Ancillary Agreements, include all assets, properties and rights (other than Overhead and Shared Services) (i) used or held for use in the Business (and all assets, properties and rights owned or licensed by Seller, the Seller Subsidiaries or the Companies (other than Overhead and Shared Services) used or held for use in the Business as proposed to be conducted under the Product and Services Extensions) and (ii) necessary and sufficient to provide the products and services offered by and to conduct the Business substantially in the manner and to the extent currently conducted. Notwithstanding the foregoing, Seller is not making any representation under this Section 3.09 as to whether or not the Business infringes with or misappropriates any Intellectual Property Rights of any third party.

(b) Seller, a Company or a Seller Subsidiary holds, in all material respects, good fee title to or has valid leases, licenses or rights to use the Company Assets and the Transferred Assets, in each case free and clear of any and all Liens, except for Permitted Liens.

(c) All tangible assets included in the Company Assets and in the Transferred Assets are in all material respects in satisfactory operating condition for the uses to which they are being put, subject to ordinary wear and tear and ordinary maintenance requirements.

SECTION 3.10. Real Property.

(a) Seller or a Seller Subsidiary holds good and marketable fee simple title to the Owned Real Property free and clear of any and all Liens, except for Permitted Liens. Section 3.10(a) of the Seller Disclosure Schedule identifies by street address and correctly describes all real property used or held for use primarily in the Business that is owned by Seller or one or more of the Seller Subsidiaries or the Companies and any title insurance policies and surveys issued to Seller, the Seller Subsidiaries or the Companies during the 10 years preceding the date hereof with respect to the Owned Real Property.

(b) Section 3.10(b) of the Seller Disclosure Schedule identifies each real property lease creating a leasehold interest in favor of Seller, the Seller Subsidiaries or the Companies which is being transferred to Purchaser as part of the Transactions (such leases, the "**Transferred Leases**"). Each parcel of real property (together with the right to use and occupy the same and any buildings, improvements and fixtures thereon and appurtenance thereto) leased pursuant to the Transferred Leases is leased by Seller or one or more of the Seller Subsidiaries or Companies free and clear of all Liens on Seller's, the Seller's Subsidiary's or the Company's leasehold interest, as applicable, except Permitted Liens or as specified in such Transferred Lease. True and complete copies of each Transferred Lease (including all written modifications, amendments, supplements, waivers and side letters thereto) have been made available to Purchaser prior to the date hereof.

(c) All Transferred Leases are valid, binding, in full force and effect and enforceable in accordance with their respective terms, subject to laws relating to bankruptcy, insolvency and other similar laws affecting creditors' rights and remedies generally and to general principles of equity, and there does not exist under any such lease any material default or any event which with notice or lapse of time or both would constitute a material default. As of the date hereof, none of Seller, a Company, or any Seller Subsidiary has waived any of its material rights under any Transferred Lease or modified any of the material terms thereof, except

by amendments effected by written instruments copies of which have been made available to Purchaser, and, and to the Knowledge of Seller, no other party to any Transferred Lease is in material breach or default thereunder.

(d) The plants, buildings and structures included in the Transferred Assets (i) have been reasonably maintained in a manner materially consistent with standards generally followed in the industry, (ii) are adequate and suitable in all material respects for their present uses and, (iii) to the Knowledge of Seller, are in all material respects structurally sound, giving due account in each case to the age and length of use of same and ordinary wear and tear excepted.

(e) The plants, buildings and structures included in the Transferred Assets currently have access to (i) public roads or valid easements over private streets or private property for such ingress to and egress from all such plants, buildings and structures and (ii) water supply, storm and sanitary sewer facilities, telephone, gas and electrical connections, fire protection, drainage and other public utilities, in each case as is necessary for the conduct of the Business as it has heretofore been conducted.

(f) Except as would not have or reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, the Owned Real Property, and its continued use, occupancy and operation as currently used, occupied and operated, does not constitute a nonconforming use under all applicable Law relating to building, zoning, subdivision and other land use.

(g) Neither Seller, any Seller Subsidiaries nor any of the Companies has made any other agreement to lease, sell, mortgage or otherwise encumber the Owned Real Property (or any portion thereof) or given any Person an option to purchase or rights of first refusal over the Owned Real Property (or any portion thereof).

(h) As of the date hereof, to the Knowledge of Seller, there are no Actions affecting any of the Owned Real Property pending or, to the Knowledge of Seller threatened, which might materially detract from the value, materially interfere with the present use or materially adversely affect the marketability of such Owned Real Property.

SECTION 3.11. Employee Matters.

(a) Section 3.11(a) of the Seller Disclosure Schedule sets forth, as of the date hereof, a list of the material Seller Benefit Plans (which, for purposes of clarification, will not include offer letters, employment agreements or other commitments for employment or engagement that do not deviate in a material way from the standard form template, agreement or arrangement maintained in the applicable jurisdiction). Seller has provided Purchaser a copy of the plan document or summary plan description for each material Seller Benefit Plan.

(b) None of the Transferred Employee Plans is subject to ERISA or is a defined benefit plan. The Transferred Employee Plans have been established, operated and maintained in accordance with applicable Law in all material respects. With respect to any Transferred Employee Plan intended to qualify to tax-favorable treatment under applicable Law, to the Knowledge of the Seller there exists no event or circumstance that has or is likely to

adversely affect such qualification or exemption. All employer and employee contributions, premiums and expenses payable to or in respect of any Transferred Employee Plan or required by Law or any Transferred Employee Plan or labor agreement or arrangement have been timely paid, or, if not yet due, have been properly accrued in the Audited Financial Statements in accordance with US GAAP applied on a consistent basis.

(c) Section 3.11(c) of the Seller Disclosure Schedule sets forth with respect to each Employee: (i) unique identifier, (ii) service date, (iii) position, (iv) annual salary or hourly wage rate (as applicable), (v) annual and long-term bonus and incentive compensation opportunities, and (vi) principal work location, which shall be updated in accordance with the requirements of Section 6.01(a).

(d) There is not currently existing or, to Seller's Knowledge, threatened, any labor strike, slowdown, work stoppage or lockout against or affecting the Companies or the Business, nor has there been any such activity within the past 12 months, except as would not reasonably be expected to have, individually or in the aggregate, a material effect on the Business.

(e) To Seller's Knowledge, Seller, the Seller Subsidiaries and each of the Companies have complied in all material respects with all applicable Laws in any way relating to the employment of the Employees.

(f) Section 3.11(f) of the Seller Disclosure Schedule sets forth, as of the date hereof, a complete list of all collective bargaining or other collective labor agreements which govern the terms and conditions of employment of any Employee. Seller has provided Purchaser with a true and complete copy of each of the collective bargaining or other collective labor agreements listed in Section 3.11(f) of the Seller Disclosure Schedule. To Seller's Knowledge, (i) no petition has been filed or proceedings instituted by a union, collective bargaining agent, Employee or group of Employees with any Governmental Authority seeking recognition of or as a bargaining representative with respect to any Employees, and (ii) none of Seller, any Subsidiary of Seller (including the Companies) or any labor union or other bargaining representative is seeking to establish a collective bargaining relationship with respect to Employees or is otherwise engaged in or seeking to be engaged in collective bargaining with respect to Employees.

(g) There are no Actions relating to employment or labor Laws pending or, to Seller's Knowledge, threatened in writing, against Seller or any Subsidiary of Seller (including the Companies) and brought by or on behalf of any Employee or group of Employees.

SECTION 3.12. Environmental Matters.

(a) The Companies, the Transferred Assets and the Business (as currently or formerly conducted) and, with respect to the Business, Seller and the Seller Subsidiaries are, and since January 1, 2007, have been in compliance, in all material respects, with Environmental Laws and have obtained and are, and since January 1, 2007, have been in compliance, in all material respects, with all Environmental Permits, such Environmental Permits are in full force

and effect and will not be terminated or materially impaired as a result of the transactions contemplated by this Agreement.

(b) The Companies and, with respect to the Business (as currently or formerly conducted), Seller and the Seller Subsidiaries, have not received any outstanding notice, notification, demand, request for information, citation, summons or order, and there are no Actions pending or, to the Knowledge of Seller, threatened, in each case in connection with the Business (as currently or formerly conducted) or the Transferred Assets, in each case, that would reasonably be expected to result in a material Liability.

(c) None of Seller, the Companies or any Seller Subsidiary has caused any Release of Hazardous Materials at, to, in, from, on or under any real property currently or formerly owned, leased or operated by any Company or the Business (as currently or formerly conducted), or by Seller or any Seller Subsidiary (in connection with the Business), including the Real Property, that would reasonably be expected to result in material Liabilities or obligations pursuant to Environmental Laws.

(d) As of the date hereof, the Companies and, with respect to the Business (as currently or formerly conducted), Seller and the Seller Subsidiaries have not received any notice of potential liability under CERCLA or any similar state, local or foreign law.

(e) None of the Transferred Assets are located in New Jersey or Connecticut.

(f) To the Knowledge of Seller, the Settlement Agreement entered into in November 1993 by Siemens Components, Inc., Litronix, Inc. and Sobrato (as defined therein) (the "**SCI Settlement Agreement**"), the Indemnification Agreement entered into in November 1993 by Siemens Components, Inc. and Sobrato (the "**1993 Indemnity**") and the Guaranty Agreement entered into in November 1993 by Siemens Corporation and Sobrato (the "**1993 Guaranty**") remain in full force and effect, and Siemens Components, Inc., Siemens Corporation and Sobrato have been fulfilling their obligations under such agreements.

SECTION 3.13. Material Contracts.

(a) Section 3.13(a) of the Seller Disclosure Schedule sets forth, as of the date hereof, a complete list of every Contract of the Business to which a Company, Seller or a Seller Subsidiary is currently a party or by which the Transferred Assets or any property of a Company is currently bound, in each case other than any third-party or intercompany agreements related to Overhead and Shared Services, that:

(i) is with a customer from which the Business received revenues exceeding \$500,000 in the aggregate in the 2009 calendar year, other than purchase orders and invoices (for which there is an underlying base, framework or similar Contract) (any such Contract that is with a Governmental Authority or, to the Knowledge of Seller, any prime or subcontractor of any Governmental Authority and that, in each case, is subject to the rules and regulations of any Governmental Authority concerning procurement is marked by an asterisk in Section 3.13(a)(i) of the Seller Disclosure Schedules);

(ii) (ii)(A) restricts any Company or the Business from engaging in any business activity (including any restriction to compete in any line of business or with any Person) in any geographic area, (B) grants any exclusive distribution or other exclusive rights, any "most favored nation" rights, rights of first refusal, rights of first negotiation or similar rights, or (C) contains any provision that requires the purchase of all or a given portion of the Business' requirements from a given third party;

(iii) provides for Indebtedness for borrowed money or the deferred purchase price of property (in either case, whether incurred, assumed, guaranteed or secured by any Transferred Asset), except any such agreement with an aggregate outstanding principal amount not exceeding \$50,000 and which may be prepaid on not more than 30 days notice without the payment of any penalty;

(iv) provides for the acquisition or disposition of any material Transferred Asset (whether by merger, sale of stock, sale of assets or otherwise), other than any acquisition or disposition in the ordinary course of business consistent with past practice;

(v) establishes a joint venture, partnership, strategic alliance or other similar arrangement;

(vi) relates to settlement, conciliation and other similar agreements relating to actual or threatened Actions, the performance of which will involve payment on or after the Closing Date of consideration in excess of \$1,000,000 or will, on or after the Closing Date impose (or continue to impose) any injunctive or similar equitable relief on the Companies or the Business;

(vii) grants to or from Seller, any Seller Subsidiary or any Company any license or right to use any Intellectual Property that is material to the conduct of the Business, other than (A) software licenses or services arrangements that are generally commercially available with an aggregate annual cost of less than \$250,000 and (B) non-exclusive licenses granted in connection with the Business to customers, distributors or resellers in the ordinary course of business consistent with past practice;

(viii) requires capital expenditures in excess of \$1,000,000 and is not fully performed as of the date of this Agreement;

(ix) is for any lease for personal property providing for annual rentals of \$250,000 or more;

(x) was entered into by a Company, Seller or a Seller Subsidiary with an Employee and provides for (A) an annual base salary in excess of \$200,000 and (B) either (1) a period of notice of termination that is more than 90 days (excluding any statutory rights of the Employee) or (2) a severance payment of more than \$200,000 pursuant to the specific terms of such agreement (excluding any statutory rights of the Employee); or

(xi) is an agreement with any Affiliate of Seller (other than the Companies) that will not be terminated prior to Closing (clauses (i)–(xi) collectively, the “**Material Contracts**”).

(b) True and complete copies of each Material Contract have been made available to Purchaser prior to the date hereof. Each Material Contract is valid and binding on Seller or a Subsidiary of Seller and, to the Knowledge of Seller, each other party to such Material Contract, and each Material Contract is in full force and effect, and enforceable in all material respects in accordance with its terms, subject in each case to laws relating to bankruptcy, insolvency and other similar laws affecting creditors’ rights and remedies generally and to general principles of equity. (i) None of the Companies, Seller or any Seller Subsidiary is, or has received any notice that it is, in material breach or default under any of the Material Contracts, (ii) as of the date hereof, none of Seller, a Company, or any Seller Subsidiary has waived any of its material rights under any of the Material Contracts or modified any of the material terms thereof and (iii) to the Knowledge of Seller, as of the date hereof, no other party to any Material Contract is in material breach or default thereunder.

(c) Section 3.13(c) of the Seller Disclosure Schedule sets forth each vendor to which the Business paid more than \$1,000,000 in the calendar year 2009.

SECTION 3.14. Brokers. Except for fees and commissions that will be paid by Seller, no broker, finder or investment banker is entitled to any brokerage, finder’s or other similar fee or commission in connection with the Transactions based upon arrangements made by or on behalf of Seller or any of its Affiliates.

SECTION 3.15. Intellectual Property.

(a) The Company Intellectual Property, together with the Transferred Intellectual Property and the rights conferred under Assumed In–Licenses, Company In–Licenses, and the Ancillary Agreements, include, as of the date hereof, all material Intellectual Property Rights owned or licensed by the Companies, Seller, and the Seller Subsidiaries, that are used (or held for use) in connection with the Business and necessary and sufficient to provide the products and services of the Business and to conduct the Business substantially in the manner and to the extent currently conducted (other than any Intellectual Property Rights related to Overhead and Shared Services and not otherwise used to provide substantive functions to the Business) (“**Necessary Intellectual Property Rights**”). Without limiting the foregoing, neither Seller nor any Seller Subsidiary has sold any Intellectual Property Rights in the last thirty (30) months prior to the Closing Date that are necessary for the operation of the Business as conducted or used as of the Closing Date.

(b) Either a Company, Seller or one of the Seller Subsidiaries has good and exclusive title to each item of Company Registered Intellectual Property or Transferred Registered Intellectual Property, as appropriate, free and clear of any Liens except for Permitted Liens. Except for nonexclusive licenses and rights granted by Seller and/or the Companies in the ordinary course of business, and except as set forth on Section 3.15(b) of the Seller Disclosure Schedule, none of the Seller, the Seller Subsidiaries or the Companies have granted any licenses

or rights to any third party under any Company Intellectual Property or Transferred Intellectual Property.

(c) Section 1.01(iv) of the Seller Disclosure Schedule sets forth a complete and accurate list of all Company Registered Intellectual Property, and Section 1.01(xiv) of the Seller Disclosure Schedule sets forth a complete and accurate list of all Transferred Registered Intellectual Property, in each case identifying for each item the owner, the patent, application, serial or registration numbers, as applicable, and the jurisdictions where such Company Registered Intellectual Property or Transferred Registered Intellectual Property is registered or issued or where applications have been filed.

(d) The Companies and/or Seller have taken commercially reasonable efforts to maintain and protect the Company Intellectual Property and the Transferred Intellectual Property (including making filings and payments of maintenance or similar fees for Transferred Registered Intellectual Property and Company Registered Intellectual Property) and to maintain the confidentiality and otherwise protect and enforce their rights in trade secrets and other confidential information and have obtained ownership, to the extent permitted under applicable Law, of Intellectual Property Rights included in the Company Intellectual Property or Transferred Intellectual Property that were developed for the Companies or Seller by their respective employees and contractors.

(e) To Seller's Knowledge, each item of Company Registered Intellectual Property and Transferred Registered Intellectual Property is valid and enforceable and in full force and effect. Other than routine prosecution matters, as of the date hereof, there are no material undisclosed oppositions, cancellations, invalidity proceedings, interferences or re-examination proceedings pending or, to the Knowledge of Seller, threatened with respect to any Company Registered Intellectual Property or Transferred Registered Intellectual Property.

(f) To Seller's Knowledge, Section 3.15(f) of the Seller Disclosure Schedule identifies all Open Source Software that is (i) included in the Transferred Software or the Software owned by the Companies (the "**Business Software**"), other than to the extent such Software was analyzed by Black Duck Software, Inc. in connection with reports provided to or services performed for Purchaser prior to the date hereof, or (ii) governed by the terms of GPL Version 3 (including, for avoidance of doubt, Affero GPL3 and other variations of the standard GPL 3 license) and included in the Software licensed pursuant to the ATLAS OCSP Software License Agreement (the "**ATLAS Software**"). For purposes of this Agreement, "**Open Source Software**" means any software that contains, or is derived in any manner (in whole or in part) from, any software that is distributed as open source software or similar licensing or distribution models, including software licensed or distributed under any of the following licenses or distribution models: (i) GNU's General Public License (GPL) or Lesser/Library GPL (LGPL); (ii) the Artistic License (e.g., PERL); (iii) the Mozilla Public License; (iv) the Netscape Public License; (v) the Sun Community Source License (SCSL); (vi) the Sun Industry Standards License (SISL); (vii) the BSD License; or (viii) the Apache License.

(g) No source code for any Business Software has been delivered, licensed or made otherwise available to any escrow agent or other Person who is not, or was not at the time of disclosure, an employee or consultant of Seller, any Subsidiary of Seller, or the Companies, or

an employee or consultant of Purchaser as a result of this Agreement, in each case, pursuant to a written agreement requiring such Person to maintain the confidentiality of such source code, to use such source code solely for the purpose it was disclosed. None of Seller, any Seller Subsidiary or the Companies have any duty or obligation (whether present, contingent or otherwise) to deliver, license or make available the source code for any Business Software to any escrow agent or other Person other than to Purchaser as a result of this Agreement.

(h) The Business as currently conducted does not infringe the Patents set forth in Section 3.15(h) of the Seller Disclosure Schedule (or directly or indirectly claiming priority thereto or issuing therefrom). To the Knowledge of Seller, the Business as currently conducted does not infringe in any material respect any Intellectual Property Rights of any third party. Section 3.15(h) of the Seller Disclosure Schedule identifies any material Software included in the Business Software or in the ATLAS Software for which Copyright is owned by a third party and as to which rights sufficient for the conduct of the Business will not validly be conveyed to Purchaser pursuant to this Transaction, other than with respect to any Restricted Asset.

(i) To the Knowledge of Seller, as of the date hereof, no third party is infringing in any material respect any Company Intellectual Property or any Transferred Intellectual Property, as applicable, except as would not have or reasonably be expected to have a Material Adverse Effect.

(j) No Action is pending or, to the Knowledge of Seller, threatened, and none of Seller, any Seller Subsidiary or any Company has received written notice since January 1, 2007, (i) challenging in any material respect the validity, enforceability, scope, use or ownership of the Company Intellectual Property or the Transferred Intellectual Property, (ii) asserting that the conduct of the Business, any Company Product or Service, or the use of any Company Intellectual Property or Transferred Intellectual Property infringes, misappropriates or otherwise violates in any material respect any Intellectual Property right of any Person or (iii) based upon, or challenging or seeking to deny or restrict, in any material respect the rights of Seller, any Seller Subsidiary or any Company in or to any Necessary Intellectual Property Right licensed from a third party. Section 3.15(j) of the Seller Disclosure Schedule sets forth, as of the date hereof and to the Knowledge of Seller, a true and complete list of all material pending or threatened Actions involving an allegation that a Person's use of any of the Company Products and Services infringes the Intellectual Property Rights of a third party.

(k) No right to sublicense the Intellectual Property Rights licensed to Purchaser and its Affiliates under the ATLAS OCSP Software License Agreement shall be necessary for Purchaser or any of its Affiliates, on and after the Closing, to provide the products and services of the Business and to conduct the Business substantially in the manner and to the extent provided and conducted by Seller immediately prior to the Closing.

SECTION 3.16. Taxes.

(a) Each Company has filed all material Tax Returns (or such Tax Returns have been filed on behalf of such Company) required to be filed by applicable Law and has paid all material Taxes required to be paid by it. Seller makes no representations regarding the amount

or existence of any Company's net operating losses, contributions carryforward, the alternative minimum tax credit, and any general business credits or state equivalents.

(b) (i) Except with respect to Taxes relating to Tax Returns to be filed by Seller under Section 7.05(a), the charges, accruals and reserves for Taxes with respect to the Companies reflected on the books of the Companies (excluding any provision for deferred income taxes reflecting either differences between the treatment of items for accounting and income tax purposes or carryforwards) are adequate to cover Tax liabilities accruing through the end of the last period for which the Companies ordinarily record items on their respective books and (ii) since the last period for which the Companies ordinarily record items on their respective books, none of the Companies has engaged in any transaction, or taken any other action, other than in the ordinary course of business, that would materially impact any Tax liability of any Company.

(c) (i) None of the Companies (or any member of any affiliated, consolidated, combined or unitary group of which any Company is or has been a member) has granted any extension or waiver of the statute of limitations period applicable to any Tax Return, which period (after giving effect to such extension or waiver) has not yet expired; (ii) there is no claim, audit, action, suit, proceeding, investigation or assessment pending for which a Company has been notified in writing in respect of any Tax; and (iii) since December 31, 2009, none of Seller, any Company and any Affiliate of Seller has, to the extent it has affected, may affect or may relate to any Company, made or changed any Tax election, changed any annual Tax accounting period, adopted or changed any method of Tax accounting.

(d) No written claim has been made by any Governmental Authority in a jurisdiction where the Companies do not file Tax Returns that a Company is or may be subject to taxation by, or required to file any Tax Return in, that jurisdiction.

(e) (i) None of the Companies has been a member of an affiliated, consolidated, combined or unitary group other than one of which Seller was the common parent, or made any election or participated in any arrangement whereby any Tax liability or any Tax asset of any Company was determined or taken into account for Tax purposes with reference to or in conjunction with any Tax liability or any Tax asset of any other Person; and (ii) none of the Companies is party to any Tax Sharing Agreement.

(f) (i) None of the Companies is a party to any understanding or arrangement described in Section 6662(d)(2)(C)(ii) of the Code, or has participated in a "reportable transaction" within the meaning of Treasury Regulations Section 1.6011-4; and (ii) during the two-year period ending on the date hereof, none of the Companies, was a distributing corporation or a controlled corporation in a transaction intended to be governed by Section 355 of the Code.

(g) None of the property owned by any of the Companies is "tax exempt use property" within the meaning of Section 168(h) of the Code.

(h) (i) No election has been made under Treasury Regulations Section 301.7701-3 or any similar provision of Tax law to treat any Company as an association,

corporation or partnership; and (ii) none of the Companies is disregarded as an entity for Tax purposes.

(i) None of the Companies is a beneficiary of any Tax exemption, Tax holiday or reduced Tax rate granted by a Governmental Authority with respect to any Company that is not generally available to Persons without specific application therefor.

SECTION 3.17. Certain Business Practices. Since January 1, 2007, (a) no Company and, in connection with the Business or the Transferred Assets, neither Seller nor any Seller Subsidiary, nor, to the Knowledge of Seller, any director, officer, agent, reseller or employee of Seller, any Seller Subsidiary or any Company on behalf thereof, has taken or failed to take any action that would cause the Company, Seller or any Seller Subsidiary to be in violation of the Foreign Corrupt Practices Act of 1977, or any comparable foreign Law and (b) each Company and, in connection with the Business or the Transferred Assets, Seller and each Seller Subsidiary, has conducted its business in compliance in all material respects with Title 31, Chapter V of the Code of Federal Regulations.

SECTION 3.18. Products; Services. Section 3.18 of the Seller Disclosure Schedule sets forth a complete list as of the date of this Agreement of all material products and services that are currently sold, licensed, leased or provided to third parties by Seller, any Seller Subsidiary or any Company in connection with the Business (collectively, the “**Company Products and Services**”). To the Knowledge of Seller, each of the Company Products and Services has been provided in conformity in all material respects with (i) the applicable specifications and agreements, pursuant to which Seller or any of the Seller Subsidiaries or Companies provides for such Company Products and Services and (ii) all applicable express warranties furnished by Seller, any Seller Subsidiary or any Company with respect to such Company Products and Services. A copy of the current standard terms and conditions of sale, license, or lease for each of the Company Products and Services, including the standard warranties provided to end users and the standard warranties provided to resellers, has been made available to Purchaser.

SECTION 3.19. Insurance Coverage. Seller has furnished to Purchaser a list as of the date hereof of all insurance policies and fidelity bonds, including the date each such policy or bond became effective, relating to the Companies, the Transferred Assets, and the Business and, to the Knowledge of Seller, such policies and bonds remain in full force and effect. To the Knowledge of Seller, with respect to the Business, (a) as of the date hereof, there is no material claim by any of the Companies, Seller or any Seller Subsidiaries pending under any of such policies or bonds as to which coverage has been questioned, denied or disputed by the underwriters of such policies or bonds or in respect of which such underwriters have reserved their rights, (b) all premiums payable under all such policies and bonds have been timely paid in all material respects and (c) each of the Companies, Seller and Seller Subsidiaries has otherwise complied in all material respects with the terms and conditions of all such policies and bonds.

SECTION 3.20. VeriSign Japan. To Seller’s Knowledge, as of the date hereof, since January 1, 2009, none of the documents or information publicly disclosed by VeriSign Japan and required by any Japanese Governmental Authority contains any untrue statement of a

material fact or omits to state a material fact necessary in order to make the statements contained therein not misleading under the circumstances in which such statements were made.

SECTION 3.21. Officers and Directors. To Seller's Knowledge, no circumstance or condition exists that would give rise to any claim, demand, obligation or Liability of any Company in respect of any of actions or omissions of any of the officers or directors of the Companies, which would be of the nature of any claim, demand, obligation or Liability being released under Section 5.15.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF PURCHASER

Purchaser represents and warrants to Seller as follows as of the date of this Agreement and as of the Closing Date:

SECTION 4.01. Organization and Good Standing. Purchaser, and each of its Subsidiaries that is or will be a party to any of the Ancillary Agreements, is duly organized, validly existing and in good standing under the Laws of its jurisdiction of organization and has all requisite power and authority to own, lease and operate its properties and to carry on its business as it is now being conducted. Purchaser and each such Subsidiary is duly licensed or qualified to do business in each jurisdiction in which the properties owned or leased by it or the operation of its business makes such licensing or qualification necessary, except to the extent that the failure to be so licensed or qualified would not reasonably be expected to have, individually or in the aggregate, a materially adverse effect upon Purchaser's or such Subsidiary's ability to carry out its obligations under this Agreement and the Ancillary Agreements to which it is or will be a signatory, and to consummate the Transactions.

SECTION 4.02. Authority. Purchaser, and each of its Subsidiaries that is or will be a party thereto, has full power and authority to execute and deliver this Agreement and the Ancillary Agreements to which it is or will be a signatory and to perform its obligations hereunder and thereunder. The execution, delivery and performance by Purchaser and each such Subsidiary of this Agreement and each Ancillary Agreement to which it is or will be a signatory has been duly authorized by all requisite corporate or other similar action on the part of Purchaser and each such Subsidiary. This Agreement has been, and upon execution each Ancillary Agreement will be, duly executed and delivered by Purchaser and each such Subsidiary that is or will be a party thereto and (assuming due authorization, execution and delivery by Seller and, if applicable in the case of the Ancillary Agreements, by each Subsidiary of Seller that is or will be a party thereto) this Agreement constitutes, and each Ancillary Agreement to which Purchaser or any such Subsidiary is or will be a party constitutes or, when so executed and delivered, will constitute, a legal, valid and binding obligation of Purchaser and each such Subsidiary, enforceable against Purchaser and each such Subsidiary in accordance with its terms, subject only to the effect, if any, of (a) applicable bankruptcy and other similar Laws affecting the rights of creditors generally and (b) Laws governing specific performance, injunctive relief and other equitable remedies.

SECTION 4.03. No Conflict; Consents and Approvals. Subject, in the case of clauses (ii) and (iii) below, to the filing by Purchaser of reports under the Exchange Act and as contemplated by the rules of Nasdaq and to the requirements of the HSR Act and filings or applications required under the Laws of any non-U.S. jurisdiction, none of (a) the execution and delivery by Purchaser or, if applicable in the case of the Ancillary Agreements, any of its Subsidiaries, of this Agreement and the Ancillary Agreements to which it is or will be a party, (b) the consummation by Purchaser or any such Subsidiary of the Transactions or (c) the compliance by Purchaser or any such Subsidiary with any of the provisions hereof or thereof, as the case may be, will:

(i) conflict with, or result in the breach of, any provision of the certificate of incorporation or by-laws or other organizational documents of Purchaser or any such Subsidiary;

(ii) require Purchaser or any such Subsidiary to make any material filing with, or obtain any material Consent from, any Governmental Authority;

(iii) conflict with, violate or result in the breach by Purchaser or any such Subsidiary in any material respect of any applicable Law; or

(iv) constitute a default under or give rise to any right of notice, consent, termination, cancellation or acceleration of any material right or obligation of Purchaser or any such Subsidiary or to a loss of any material benefit to which Purchaser or any such Subsidiary is entitled under any provision of any material Contract binding upon Purchaser or any such Subsidiary;

except in the case of clause (iv) for such matters that would not have or reasonably be expected to have, individually or in the aggregate, a material adverse effect upon Purchaser's and its Subsidiaries' ability to carry out its respective obligations under this Agreement and the Ancillary Agreements to which it is or will be a signatory, and to consummate the Transactions.

SECTION 4.04. Absence of Litigation. There are no material Actions pending or, to the knowledge of Purchaser, threatened against Purchaser or any of its Affiliates that, individually or in the aggregate, would have or reasonably be expected to have a material adverse effect upon Purchaser's or its Subsidiaries' ability to carry out its obligations under this Agreement and the Ancillary Agreements to which it is or will be a signatory, and to consummate the Transactions, or that challenge or seek to prevent, enjoin or materially delay the Transactions in any material respect.

SECTION 4.05. Exclusivity of Representations and Warranties. Purchaser acknowledges that (a) it and its representatives have been permitted access to the books and records, facilities, equipment, contracts and other properties and assets of the Business, and that it and its representatives have had an opportunity to meet with officers and employees of the Business and the Companies to discuss the Business; *provided* that nothing in this clause (a) shall be deemed to modify or limit in any respect the Purchaser Indemnified Persons' right to indemnification under this Agreement and (b) except for the representations and warranties expressly set forth in Article III or in any Transaction Document (and, in the case of clause (iii)

below, the indemnification rights of the Purchaser Indemnified Persons in Article X in respect of such representations and warranties), (i) Purchaser has not relied on any representation or warranty from Seller or any other Person in determining to enter into this Agreement, (ii) neither Seller nor any other Person has made any representation or warranty, express or implied, as to the Business (or the value or future thereof), the Transferred Assets, the Assumed Liabilities, the Companies or the accuracy or completeness of any information regarding any of the foregoing that Seller or any other Person furnished or made available to Purchaser and its representatives (including any projections, estimates, budgets, offering memoranda, management presentations or due diligence materials) and (iii) except for intentional fraud, none of Seller, its Subsidiaries or any other Person shall have or be subject to any liability to Purchaser or any other Person under this Agreement resulting from the distribution to Purchaser, or Purchaser's use, of any such information. Without limiting the generality of the foregoing, except as expressly set forth in the representations and warranties in Article III and in the Transaction Documents, THERE ARE NO EXPRESS OR IMPLIED WARRANTIES, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

SECTION 4.06. Financial Ability. Purchaser will have available free and unrestricted cash that is sufficient to enable it to (a) pay the amounts required under Section 2.07(b) at the time of Closing and (b) if applicable, the amounts required under Section 2.04(d) at the time such payment is due.

SECTION 4.07. Brokers. Except for fees and commissions that will be paid by Purchaser, no broker, finder or investment banker is entitled to any brokerage, finder's or similar fee or commission in connection with the Transactions based upon arrangements made by or on behalf of Purchaser or any of its Affiliates.

ARTICLE V COVENANTS

SECTION 5.01. Conduct of Business Prior to the Closing. Unless Purchaser otherwise agrees in writing and except (a) as expressly contemplated by the Transaction Documents, (b) as relates to Excluded Assets or Retained Liabilities, (c) as set forth in Section 5.01(c) of the Seller Disclosure Schedule or (d) as required by applicable Law, between the date hereof and the Closing Date, Seller shall (and shall cause the Seller Subsidiaries and the Companies to) conduct the Business only in the ordinary course, consistent with past practice and use reasonable best efforts to (w) preserve intact the present business organization of the Business, (x) maintain in effect all material Permits, (y) keep available the services of the Key Employees of the Business and (z) maintain satisfactory relationships with the customers, lenders, suppliers and others having material business relationships with the Business. Without limiting the generality of the foregoing, unless Purchaser otherwise agrees in writing (which agreement, with respect to the matters described in clauses (v), (vi)(a), (xi) or (xii) below (or, with respect to such matters, clause (xiv) below) shall not be unreasonably withheld, conditioned or delayed) except (a) as expressly contemplated by the Transaction Documents, (b) as relates to Excluded Assets or Retained Liabilities, (c) as set forth in Section 5.01(c) of the Seller Disclosure Schedule or (d) as required by applicable Law, Seller shall not, and shall cause the Seller Subsidiaries and the Companies not to:

- (i) distribute, sell, assign, transfer, lease or otherwise dispose of any interest in, or incur a Lien (other than a Permitted Lien) upon, any of the Transferred Assets or the assets of the Companies (except cash held by the Companies), other than in the ordinary course of business consistent with past practice;
- (ii) distribute, sell, assign, transfer, lease or otherwise dispose of any interest in, or incur a Lien upon, any of the Shares;
- (iii) increase the rate of cash compensation or other fringe, incentive, pension, welfare or other employee benefits payable to the Employees, other than, with respect to promotions in the ordinary course of Employees who are not Key Employees, increases in the ordinary course of business consistent with past practice or, with respect to all Employees (including Key Employees) increases (A) required by applicable Law or (B) in non-compensation benefits that are not targeted at the Employees and that apply to substantially all similarly situated employees (including the Employees) of Seller or the applicable Subsidiary of Seller (including the Companies) and that will not be binding on Purchaser (or any of its Subsidiaries, including the Companies) after Closing;
- (iv) make any material loans, advances or capital contributions to, or investments in, any third party with respect to the Business or, other than in the ordinary course of business consistent with past practice, any loans or advances to any Employee;
- (v) materially amend or otherwise modify or terminate (except where such Material Contract or Transferred Lease expires in accordance with the terms of such Material Contract or Transferred Lease) any Material Contract or Transferred Lease, or otherwise waive, release or assign any material rights, claims or benefits of the Business under any Material Contract or Transferred Lease;
- (vi) enter into any (a) Material Contract (excluding Material Contracts to sell goods and/or services to customers) or (b) Transferred Lease;
- (vii) except as required by Law, enter into any new employment agreement with any Employee, except, with respect to Employees below the Vice President level, an agreement in the ordinary course of business consistent with past practice that provides for base salary less than \$200,000 per year and may be terminated with no more than two months' notice or severance pay;
- (viii) as for the Companies only, merge or consolidate with, or agree to merge or consolidate with, or purchase substantially all of the assets of, or otherwise acquire, any business, business organization or division thereof, or any other Person;
- (ix) as for the Companies only (except with respect to endorsement of negotiable instruments in the ordinary course of business consistent with past

practice), create, incur, assume, guarantee or otherwise become liable with respect to any Indebtedness, except for (A) purchase money borrowings and capitalized leases in the ordinary course of business consistent with past practice in principal amount not exceeding \$1,000,000 in the aggregate, or (B) Indebtedness owed between the Companies or Indebtedness owed between the Companies and an Affiliate of Seller that will be repaid on or prior to Closing;

(x) enter into any Contract that restricts any Company or the Business from engaging in any business activity (including any restriction to compete in any line of business or with any Person) in any geographic area;

(xi) settle, or offer or propose to settle, any material Action involving or against the Business, except for the settlement of any such Action that does not include any restrictions on the conduct of the Business or any material obligation to be performed by the Business in each case, following the Closing;

(xii) change, amend or otherwise modify any material accounting practice or policy or procedure with respect to the Business, except as required by US GAAP or applicable Law;

(xiii) take any action or enter into any transaction that would reasonably be expected to materially delay or adversely affect the consummation of the Transactions; and

(xiv) authorize, or commit or agree to take, any of the foregoing actions.

SECTION 5.02. Access to Information; Advice of Changes; Software Audit.

(a) Prior to the Closing, Seller shall, and shall cause the Seller Subsidiaries and the Companies, to, (i) give Purchaser and its authorized representatives (including any banks or investment banks working with Purchaser), upon reasonable advance notice and during regular business hours, reasonable access to all books, records, personnel, officers and other facilities and properties of the Business and the Companies (including access to conduct indoor air quality testing relating to the Owned Real Property pursuant to reasonable protocols and workplans), (ii) permit Purchaser to make such copies and inspections thereof, upon reasonable advance notice and during regular business hours, as Purchaser may reasonably request, (iii) cause the officers of Seller and such Subsidiaries to furnish Purchaser with such unaudited financial and operating data and other information with respect to the Business and the Companies as is regularly prepared in the ordinary course that Purchaser may from time to time reasonably request and (iv) instruct the employees, counsel and financial advisors of Seller and its Subsidiaries to reasonably cooperate with Purchaser in its investigation of the Business; provided, however, that (1) any such access shall be conducted at Purchaser's expense, in accordance with Law (including any applicable antitrust or competition law), at a reasonable time, under the supervision of Seller's personnel and in such a manner as to maintain confidentiality and not to unreasonably interfere with the normal operations of Seller and (2) Seller will not be required to provide to Purchaser access to or copies of any personnel file of any Employee that in Seller's good faith opinion is sensitive or the disclosure of which could subject

Seller to risk of Liability or constitute a violation of Law. No investigation by Purchaser or other information received by Purchaser shall operate as a waiver or otherwise affect any representation, warranty or agreement given or made by Seller hereunder or modify or limit in any respect the Purchaser Indemnified Persons right to indemnification in Article X.

(b) Notwithstanding anything contained in this or any other agreement between Purchaser and Seller executed on or prior to the date hereof, Seller shall not have any obligation to make available to Purchaser or its representatives, or provide Purchaser or its representatives with, (i) any Tax Return filed by Seller or any of its Affiliates (other than the Companies) or predecessors, or any related material, unless such Tax Return or related material relates exclusively to the Transferred Assets or the Business and is needed for Purchaser to meet its Tax compliance requirements for periods ending after the Closing Date or (ii) any information if making such information available would (A) jeopardize any attorney-client or other legal privilege or (B) contravene any applicable Law, fiduciary duty or agreement (including any confidentiality agreement to which Seller or any its Affiliates is a party), it being understood that Seller shall cooperate in any reasonable efforts and requests for waivers that would enable otherwise required disclosure to Purchaser to occur without so jeopardizing privilege or contravening such Law, duty or agreement.

(c) Each party shall promptly notify the other party of the occurrence, to such party's knowledge, of any event or condition, or the existence, to such party's knowledge, of:

(i) any fact, that would reasonably be expected to result in any of the conditions set forth in Article VIII not being fulfilled;

(ii) any written notice from any Person alleging that the Consent of such Person is or may be required in connection with the Transactions; or

(iii) the damage or destruction by fire or other casualty of any material Transferred Asset or Company Asset or in the event that any material Transferred Asset or Company Asset becomes the subject of any Action for the taking thereof or of any right relating thereto by condemnation, eminent domain or other similar Action by a Governmental Authority.

The delivery of any notice pursuant to this Section 5.02(c) shall not limit or otherwise affect the remedies available hereunder to the party receiving that notice.

(d) At any time between the date hereof and the Closing Date, Purchaser may at Purchaser's sole expense, request a review of any source code and related documentation included in the Transferred Software or the Software owned by the Companies by Black Duck or by another third party software auditor service reasonably acceptable to Seller (each such review, a "**Software Audit**"). In the event that Purchaser makes such request, Seller shall provide such third party software auditor with reasonable access to the applicable source code and documentation relating to such request for the purposes of the Software Audit, and both Parties shall offer reasonable cooperation therewith. Any such Software Audit shall be reasonable in size, scope, and duration, and shall be conducted in a manner that does not unreasonably adversely impact Seller's operation of the Business or Seller Existing Businesses. Following

Purchaser's review of the third party software auditor's search results, Purchaser may prepare a prioritized list of any significant identified issues and errors, and between delivery of such request and the Closing Date, Seller shall use commercially reasonable efforts in seeking to address such issues and errors. Notwithstanding the foregoing, Purchaser and Seller acknowledge and agree that nothing in this Section 5.02(d), and no knowledge gained by as a result of any Software Audit after the date hereof, shall be deemed to modify or limit in any respect Seller's representations and warranties under Article III or the Purchaser Indemnified Persons' right to indemnification under this Agreement.

SECTION 5.03. Confidentiality; Publicity.

(a) The terms of the Mutual Non-Disclosure Agreement, dated as of January 2, 2008 (as amended March 15, 2010), between Seller and Purchaser (the "**Confidentiality Agreement**") are hereby incorporated herein by reference and shall continue in full force and effect and survive the Closing, except that, from and after the Closing, Information (as defined in the Confidentiality Agreement) with respect to the Companies and the Business shall be deemed Information of Purchaser. If this Agreement is, for any reason, terminated prior to the Closing, the Confidentiality Agreement shall nonetheless continue in full force and effect in all respects.

(b) Neither party shall, and each party shall cause its Affiliates (including, in the case of Seller and to the extent Seller is able to do so, VeriSign Japan) not to, issue any press release or make any public announcement concerning this Agreement or the Transactions without the prior written approval of the other party (which approval shall not be unreasonably withheld, conditioned or delayed), except that each party may make such disclosure to the extent required by an applicable requirement of Law; provided that each party and its Affiliates shall give the other a reasonable opportunity to review and comment upon such disclosure to the extent practicable.

SECTION 5.04. Efforts and Actions to Cause the Closing to Occur.

(a) Prior to the Closing, upon the terms and subject to the conditions of this Agreement, Purchaser and Seller shall use their respective reasonable best efforts to take, or cause to be taken, all actions, and to do or cause to be done and cooperate with each other in order to do, all things, necessary, proper or advisable to cause the conditions to the Closing to be satisfied and to consummate the Closing as promptly as practicable, including (i) the preparation and filing of all forms, registrations and notices required to be filed to consummate the Closing and the taking of such actions as are necessary to obtain any requisite Consent, provided that neither Purchaser nor Seller shall be obligated to make any payment or deliver anything of value to any third party (other than filing and application fees to Governmental Authorities, all of which shall be paid or reimbursed by Purchaser) in order to obtain any Consent, (ii) seeking to prevent the initiation of, and defend, any Action by or before any Governmental Authority challenging this Agreement or the consummation of the Closing and (iii) causing to be lifted or rescinded any Governmental Order adversely affecting the ability of the parties to consummate the Closing. In furtherance of and not in limitation of the foregoing, each of Purchaser and Seller agrees to make or cause to be made an appropriate filing of any Notification and Report

Form required pursuant to the HSR Act and any filings or applications required under the Laws of any non-U.S. jurisdiction, as soon as practicable after the date hereof.

(b) If any party hereto or Affiliate thereof receives a request for information or documentary material from any Governmental Authority with respect to this Agreement or any of the transactions contemplated hereby, then such party shall endeavor in good faith to make, or cause to be made, as soon as reasonably practicable and after consultation with the other party, an appropriate response in compliance with such request.

(c) The parties shall keep each other apprised of the status of matters relating to the completion of the transactions contemplated by this Agreement and work cooperatively in connection with obtaining the requisite Consents of each applicable Governmental Authority, including:

(i) cooperating with each other in connection with filings under the HSR Act, other antitrust or trade regulation Laws of any jurisdiction, and any Laws regulating foreign investment of any jurisdiction in connection with the transactions contemplated by this Agreement;

(ii) furnishing to the outside counsel of the other party all reasonably requested information within its possession that is required for any application or other filing to be made by the other party pursuant to the HSR ACT, other competition Laws of any jurisdiction, or any Laws regulating foreign investment of any jurisdiction in connection with the transactions contemplated by this Agreement,

(iii) promptly notifying each other of any communications from or with any Governmental Authority with respect to the transactions contemplated by this Agreement;

(iv) not participating in any substantive meeting, discussion or conversation with any Governmental Authority in connection with proceedings under or relating to the HSR Act, other competition Laws of any jurisdiction, or Laws regulating foreign investment of any jurisdiction in connection with the transactions contemplated by this Agreement, unless it consults with the other party in advance, and, to the extent permitted by such Governmental Authority, gives the other party the opportunity to attend and participate thereat; and

(v) consulting and cooperating with one another in connection with all analyses, appearances, presentations, memoranda, briefs, arguments, opinions and proposals made or submitted by or on behalf of any party hereto in connection with proceedings under or relating to the HSR Act, competition Laws of any jurisdiction, or Laws regulating foreign investment of any jurisdiction, in connection with the transactions contemplated by this Agreement.

(d) Seller shall, at Purchaser's expense, use its commercially reasonable efforts to assist Purchaser in obtaining a title commitment and survey with respect to the Owned Real Property, including removing from title any Liens that are not Permitted Liens. Seller shall

provide the title company with a customary owner's affidavit and gap indemnity if reasonably requested by the title company in connection with the issuance of the title policy, or the commitment to issue the same, with respect to the Owned Real Property.

SECTION 5.05. Bulk Sales. Purchaser hereby waives compliance by Seller and its Subsidiaries with any applicable bulk sale or bulk transfer Laws of any jurisdiction in connection with the sale of the Business and the Transferred Assets to Purchaser.

SECTION 5.06. Insurance.

(a) Purchaser acknowledges and agrees that, except as expressly provided in Section 5.06(b), effective at the time of the Closing, the Companies and the Business will cease to be insured by any insurance policies of Seller and its Subsidiaries.

(b) Seller agrees to cause the interest and rights of Seller and its Subsidiaries as of the Closing Date as insureds or beneficiaries under occurrence based insurance policies (and under claims based insurance policies to the extent a claim has been submitted prior to Closing) of Seller or any of its Subsidiaries in connection with the Business in respect of periods prior to the Closing Date to survive the Closing for the period for which such interests and rights would have survived without regard to the Transactions to the extent provided under such policies, and Seller shall, and shall cause its Subsidiaries to, continue to administer such policies on behalf of the Business, subject to reimbursement by Purchaser for the actual out-of-pocket costs of such ongoing administration (including internal costs related to employees of Seller or any of its Subsidiaries for time spent in connection therewith). Any proceeds received by Seller or any of its Subsidiaries after Closing under such policies in respect of the Business shall be for the benefit of Purchaser.

Notwithstanding the foregoing, such insurance proceeds payable in respect of the Business shall be for the benefit of Seller and its Subsidiaries to the extent such proceeds relate to expenditures that have been made prior to the Closing Date or any business interruption prior to the Closing Date.

SECTION 5.07. Termination of Overhead and Shared Services. Purchaser acknowledges and agrees that, except as otherwise expressly provided in the Transition Services Agreement, effective as of the Closing Date (a) all Overhead and Shared Services provided to the Business or the Companies shall cease and (b) Seller or its Affiliates shall have no further obligation to provide any such Overhead and Shared Services to the Companies and/or the Business.

SECTION 5.08. Delivery of the Business Software. Upon the Closing Date, Seller shall deliver to Purchaser, in reasonable electronic form, a working copy of the current production-version of the Business Software (including, for avoidance of doubt, in object code and source code form). Upon receiving written confirmation from Purchaser that such delivery has been successfully completed, Seller and the Seller Subsidiaries shall use commercially reasonable efforts to promptly destroy all copies (other than back-up or archived copies not readily accessible) of the Transferred Software, together with all copies of Software owned by the Companies, that are in Seller's or the Seller Subsidiaries' possession or control, except as to Software within the scope of the license to Seller under the Intellectual Property License

Agreement. For the avoidance of doubt, Shared Software owned by Seller or the Seller Subsidiaries will be delivered to Purchaser solely pursuant to the terms of Section 5.09(c).

SECTION 5.09. Further Action.

(a) From and after the Closing Date, each of the parties shall execute and deliver such documents and other papers and take such further actions as may reasonably be required to carry out the provisions of this Agreement and the Ancillary Agreements and give effect to the Transactions, including the execution and delivery of such assignments, deeds, bills of sale, endorsements, consents, assignments and other good and sufficient instruments of conveyance and assignment as may be necessary or appropriate to transfer any Transferred Assets or the Shares, as provided in this Agreement. Without limiting the foregoing, from and after the Closing (a) Seller shall (and shall cause the Seller Subsidiaries to) do all things necessary, proper or advisable under applicable Law as reasonably requested by Purchaser to put Purchaser in effective possession, ownership and control of the Transferred Assets and the Shares, and Purchaser shall cooperate with Seller for such purpose, and (b) Purchaser shall (and shall cause its Subsidiaries to) do all things necessary, proper or advisable under applicable Law as reasonably requested by Seller (i) to transfer to Seller (or such other Person as Seller shall indicate) any Excluded Assets that Purchaser may possess and (ii) subject to Section 2.09, to assure that Purchaser, rather than Seller or any Seller Subsidiary, is the obligor in respect of all Assumed Liabilities, including by novating any Assumed Contract or Assumed In–License that is a Nonassignable Asset to Purchaser and seeking to cause the counterparty to any Shared Contract to enter into a new agreement with Purchaser with respect to the matters addressed by such Shared Contract, and Seller shall cooperate with Purchaser for such purposes; provided that neither Purchaser nor Seller shall be obligated to make any payment or deliver anything of value to any third party (other than filing and application fees to Governmental Authorities, all of which shall be paid or reimbursed by Purchaser) in order to obtain any Consent to the transfer of Transferred Assets, Assumed Contracts or Assumed In–Licenses or the assumption of Assumed Liabilities.

(b) Without limiting the foregoing, if at any time after the date hereof and within eighteen (18) months after the Closing, any party discovers any material right, service, property or asset used or held for use by Seller or any of its Subsidiaries as of the Closing Date in connection with owning and operating the Business that is not an Excluded Asset and was not transferred or provided to Purchaser as of the Closing, (i) if such right, service, property or asset was used or held for use by Seller prior to the Closing exclusively (or, with respect to (a) Contracts pursuant to which Seller or a Seller Subsidiary is granted rights under third party Intellectual Property Rights, (b) Trademarks and (c) Software, primarily) in connection with the Business, the parties shall take all commercially reasonable actions to effect the transfer thereof to Purchaser, and (ii) in all other cases, the parties shall use commercially reasonable efforts to arrange for Seller to provide Purchaser the benefit of such right, service, property or asset for use in the Business following the Closing pursuant to the terms of the Transition Services Agreement, and as to Shared Software, pursuant to the terms of Section 2.09 (for licensed Shared Software) and Section 5.09(c) (for owned Shared Software); provided that (A) upon the transfer to Purchaser under clause (i) above of any right, service, property or asset, Purchaser shall assume any corresponding liability and (B) neither Purchaser nor Seller shall be obligated to make any payment or deliver anything of value to any third party (other than filing and

application fees to Governmental Authorities, which shall be split equally between Seller and Purchaser) in order to effect any transfer described in this sentence. Upon a transfer to Purchaser under clause (i), the transferred right, service, property or asset shall be deemed for all purposes of this Agreement, a Transferred Asset and, as applicable, an Assumed In-License, Transferred Intellectual Property or Transferred Software, as if it had been identified prior to Closing.

(c) If any Shared Software is identified pursuant to Section 5.09(b) that is owned (as opposed to licensed) by Seller, then, at Purchaser's written request, Licensor shall enter into a license agreement with License on comparable terms to the ATLAS OCSP Software License Agreement, but for a scope of use and a period of time (including a perpetual license, if reasonably necessary), as are commercially reasonable in light of the function and nature of such Shared Software. As of the date hereof, the parties are not aware of any Shared Software, but in the event that any such Software is later identified pursuant to this Section 5.09, the parties shall cooperate in good faith to effect the intent of the foregoing sentence and afford Purchaser those rights that it reasonably needs.

SECTION 5.10. Ancillary Agreements. On the Closing Date, each of Purchaser and Seller shall (and, if applicable, each shall cause its Subsidiaries to) execute and deliver each of the Ancillary Agreements to which it is a party if such Ancillary Agreement has not been executed on the date hereof.

SECTION 5.11. Maintenance of Books and Records. After the Closing, each of the parties hereto shall, and shall cause their respective Subsidiaries to (including the Companies in the case of Purchaser), preserve, until at least the eighth anniversary of the Closing Date, all pre-Closing Date records to the extent relating to the Business possessed or to be possessed by such Person. After the Closing Date and up until at least the eighth anniversary of the Closing Date, upon any reasonable request from a party hereto or its representatives, the party holding such records shall (a) provide to the requesting party or its representatives reasonable access to such records during normal business hours; provided that such access shall not unreasonably interfere with the conduct of the business of the party holding such records, and (b) permit the requesting party or its representatives to make copies of such records, in each case at no cost to the requesting party or its representatives (other than for reasonable out-of-pocket expenses); provided that nothing herein shall require either party to disclose any information to the other if such disclosure would jeopardize any attorney-client or other legal privilege or contravene any applicable Law, fiduciary duty or agreement (it being understood that each party shall cooperate in any reasonable efforts and requests for waivers that would enable otherwise required disclosure to the other party to occur without so jeopardizing privilege or contravening such Law, duty or agreement) or require either party to disclose its Tax records (except for Tax records (A) of, or with respect to, any Company or VeriSign Japan or its Subsidiaries, which records are relevant or relate to any period that ends on or before the Closing Date, or any Straddle Period, or (B) that relate exclusively to the Transferred Assets or the Business and are needed for Purchaser to meet its Tax compliance requirements for periods ending after the Closing Date). Such records may be sought under this Section 5.11 for any reasonable purpose, including to the extent reasonably required in connection with accounting, litigation, federal securities disclosure or other similar purpose (other than for purposes relating to claims between Seller and Purchaser or any of their respective Subsidiaries under this Agreement or any Ancillary Agreement). Notwithstanding the foregoing, (i) any and all such records may be

destroyed by a party if such destroying party sends to the other party hereto written notice of its intent to destroy such records, specifying in reasonable detail the contents of the records to be destroyed; such records may then be destroyed after the 60th day following such notice unless the other party hereto notifies the destroying party that such other party desires to obtain possession of such records, in which event the destroying party shall transfer the records to such requesting party and such requesting party shall pay all reasonable expenses of the destroying party in connection therewith and (ii) no party shall be required to provide the other party access to, or copies of, any Tax records (except for Tax records (A) of, or with respect to, any Company or VeriSign Japan or its Subsidiaries, which records are relevant or relate to any period that ends on or before the Closing Date, or any Straddle Period, or (B) that relate exclusively to the Transferred Assets or the Business and are needed for Purchaser to meet its Tax compliance requirements for periods ending after the Closing Date).

SECTION 5.12. Deletion of Software. In the event that after the Closing Purchaser becomes aware of any instance of any Software in its possession that is owned by Seller or any of Seller's Subsidiaries and which is not licensed to Purchaser or any Company, Purchaser shall use commercially reasonable efforts to delete those instances of the Software as soon as practicable.

SECTION 5.13. Use of Trademarks and Logos.

(a) Except as provided in the Trademark License Agreement, Purchaser shall not have the right to use, and shall desist from all use of, the name "VeriSign" or any trade names, trademarks, identifying logos or service marks owned by Seller or any of its Subsidiaries (other than as part of the Transferred Intellectual Property) or employing the word "VeriSign" or any part or variation of any of the foregoing or any confusingly similar trade names, trademarks or logos to any of the foregoing (collectively, the "**Seller's Trademarks and Logos**") and will adopt new trade names, trademarks, identifying logos and service marks related thereto which are not confusingly similar to Seller's Trademarks and Logos, including with respect to company names. Except as provided in the Trademark License Agreement, Seller shall not have the right to use, and shall promptly cease and desist from all use of, the Trademarks included in the Transferred Intellectual Property or owned by the Companies or any part or variation of any of the foregoing Trademarks or any confusingly similar trade names, trademarks or logos to any of the foregoing (collectively, the "**Purchaser's Trademarks and Logos**") and will adopt new trade names, trademarks, identifying logos and service marks related thereto which are not confusingly similar to Seller's Trademarks and Logos. Each party may use the other's name and logo (including the "VeriSign" name and "Checkmark Circle") in the limited context of announcing and describing the Transaction before the Closing Date, in each case, as approved by the other party in writing prior to such use.

(b) From and after the Closing, Purchaser (i) agrees to abide by and be bound by the terms of the Coexistence Agreement listed on Section 5.13(b) of the Seller Disclosure Schedule and (ii) will, prior to Closing, deliver to the parties thereto written confirmation of its agreement to abide by and be bound by such terms as is required by the terms thereof.

SECTION 5.14. Seller Guarantees and Other Credit Support of the Business. Purchaser shall use its reasonable best efforts to procure the release by the applicable

counterparty, effective as of the Closing Date, of any continuing obligation of Seller or any Seller Subsidiary with respect to any Assumed Contract, Assumed In-License or Shared Contract (including any guarantee or credit support provided by, or any letter of credit posted by, Seller or any such Seller Subsidiary) and following the Closing shall indemnify and hold harmless Seller and the Seller Subsidiaries from and against any Loss resulting from or relating to any such obligation.

SECTION 5.15. Directors and Officers.

(a) To the extent requested by Purchaser, Seller shall use reasonable best efforts to procure letters of resignation, effective as of the Closing Date, from the directors and officers of the Companies.

(b) At the Closing, Purchaser shall cause the Companies to irrevocably release and discharge, effective as of the Closing Date, the directors and officers of the Companies who will have resigned from their offices as contemplated in Section 5.15(a) and any former director or officer of the Companies from and against any and all past, existing or future, claims, demands, obligations and Liabilities, whether known or unknown, suspected or unsuspected, at law or in equity, arising from or related to any act or omission by any of those individuals in their capacity of directors or officers of the Companies prior to the Closing Date; provided that such release and discharge shall be without prejudice to any rights of Purchaser under Article X.

SECTION 5.16. Non-Solicitation.

(a) For a period of one year following the Closing Date, Seller shall not, and shall cause its Subsidiaries not to, directly or indirectly, solicit for employment any Transferred Employee, unless such person ceased to be an employee of Purchaser or its Subsidiaries prior to such action by Seller or its Subsidiaries, or, in the case of such person's voluntary termination of employment with Purchaser or its Subsidiaries, at least six months prior to such action by Seller or its Subsidiaries; provided that the foregoing provision will not prevent Seller or any of its Subsidiaries from employing any such person who contacts Seller or any of its Subsidiaries on his or her own initiative without any direct or indirect solicitation by, or encouragement from, Seller or any of its Subsidiaries; provided further that the publication of advertisements in newspapers and/or electronic media of general circulation (including advertisements posted on the Internet) will not be deemed a violation of this Section 5.16(a).

(b) For a period of one year following the Closing Date, Purchaser shall not, and shall cause its Subsidiaries not to, directly or indirectly, solicit for employment any employee of Seller or any of its Subsidiaries, unless such person ceased to be an employee of Seller or its Subsidiaries prior to such action by Purchaser or its Subsidiaries, or, in the case of such person's voluntary termination of employment with Seller or its Subsidiaries, at least six months prior to such action by Purchaser or its Subsidiaries; provided that the foregoing provision will not prevent Purchaser or any of its Subsidiaries from employing any such person who contacts Purchaser or any of its Subsidiaries on his or her own initiative without any direct or indirect solicitation by, or encouragement from, Purchaser or any of its Subsidiaries; provided further that the publication of advertisements in newspapers and/or electronic media of general

circulation (including advertisements posted on the Internet) will not be deemed a violation of this Section 5.16(b).

SECTION 5.17. Noncompetition.

(a) Subject to Section 5.17(b) below, in consideration of Purchaser entering into this Agreement and in order that Purchaser may enjoy the full benefit of the Transferred Assets and the Business, for a period of four years following the Closing Date (the “**Noncompetition Period**”), neither Seller nor any of its Subsidiaries shall engage in a business that is directly in competition with the Business (including as proposed to be conducted under the Product and Services Extensions) (any such restricted activity, a “**Seller Competitive Business**”).

(b) Nothing in this Section 5.17 shall restrict the right of Seller and its Affiliates to, directly or indirectly:

(i) continue to operate each of the current businesses of Seller other than the Business (including the business and business segments of Seller and its Subsidiaries described on Section 1.01(ii) of the Seller Disclosure Schedule, the “**Seller Existing Businesses**”) or any other business acquired or created by Seller or any of its Affiliates after the date hereof that is substantially similar to the Seller Existing Businesses;

(ii) transfer any Seller Existing Business to any third party (including any third party engaged in a Seller Competitive Business);

(iii) provide any service or carry out any activity that Seller or its Subsidiaries will be required to provide or carry out as a result of the adoption of any consensus policy by the Internet Corporation for Assigned Names and Numbers;

(iv) acquire or hold securities of any Person that is engaged in a Seller Competitive Business; provided that such acquisition or holding of securities represents a passive investment that does not exceed 5% of the outstanding voting shares of such Person for Seller or any of its Affiliates and does not give Seller or any of its Affiliates the right to appoint directors or management of such Person or to otherwise exercise control over the management of such Person; or

(v) engage in any Seller Competitive Business that is acquired from any Person or is carried on by any Person that is acquired by or combined with Seller or any of its Subsidiaries after the date of this Agreement, so long as either (A) the Seller Competitive Business constitutes less than 5% of the gross revenues of Seller and its Subsidiaries, taken as a whole, at the time of such acquisition or combination or (B) Seller uses commercially reasonable efforts to divest such Seller Competitive Business as soon as reasonably practicable following completion of such acquisition or combination.

(c) Subject to Section 5.17(d) below, in consideration of Seller entering into this Agreement, during the Noncompetition Period, neither Purchaser nor any of its Subsidiaries (including the Companies) shall engage in a business that is directly in competition with the Naming Services Business of VeriSign (excluding any security related components thereof) (any such restricted activity, a "**Purchaser Competitive Business**").

(d) Nothing in this Section 5.17 shall restrict the right of Purchaser and its Affiliates (including the Companies) to, directly or indirectly:

(i) continue to operate the Business and each of the current businesses of Purchaser (the "**Purchaser Existing Businesses**") or any other business acquired or created by Purchaser or any of its Affiliates after the date hereof that is substantially similar to the Business (including as proposed to be conducted under the Product and Service Extensions) or the Purchaser Existing Businesses;

(ii) transfer the Business or any Purchaser Existing Business to any third party (including any third party engaged in a Purchaser Competitive Business);

(iii) acquire or hold securities of any Person that is engaged in a Purchaser Competitive Business; provided that such acquisition or holding of securities represents a passive investment that does not exceed 5% of the outstanding voting shares of such Person for Purchaser or any of its Affiliates and does not give Purchaser or any of its Affiliates the right to appoint directors or management of such Person or to otherwise exercise control over the management of such Person; or

(iv) engage in any Purchaser Competitive Business that is acquired from any Person or is carried on by any Person that is acquired by or combined with Purchaser or any of its Subsidiaries after the date of this Agreement, so long as either (A) the Purchaser Competitive Business constitutes less than 5% of the gross revenues of Purchaser and its Subsidiaries, taken as a whole, at the time of such acquisition or combination or (B) Purchaser uses commercially reasonable efforts to divest such Purchaser Competitive Business as soon as reasonably practicable following completion of such acquisition or combination.

Each of Seller and Purchaser acknowledges and agrees that the remedy at law for any breach, or threatened breach, of any of the provisions of Section 5.16 or Section 5.17 will be inadequate and, accordingly, each of Seller and Purchaser covenants and agrees that the other party shall, in addition to any other rights and remedies which such party may have at Law, be entitled to seek equitable relief, including injunctive relief, and to seek the remedy of specific performance with respect to any breach or threatened breach of such covenant, as may be available from any court of competent jurisdiction. Each of Seller and Purchaser hereby waives any requirement for the securing or posting of a bond in connection with seeking any such equitable relief. In addition, each of Seller and Purchaser agrees that the terms of Section 5.16 or Section 5.17 are fair and reasonable and are necessary to accomplish the full transfer of the goodwill and other intangible assets contemplated hereby. In the event that any of the covenants

contained in Section 5.16 or Section 5.17 shall be determined by any court of competent jurisdiction to be unenforceable for any reason whatsoever, then any such provision or provisions shall not be deemed void, and the parties hereto agree that said limits may be modified by the court and that said covenant contained in Section 5.16 or Section 5.17 shall be amended in accordance with said modification, it being specifically agreed by the parties that it is their continuing desire that this covenant be enforced to the full extent of its terms and conditions or if a court finds the scope of the covenant unenforceable, the court should redefine the covenant so as to comply with applicable Law.

(e) Each of Seller and Purchaser acknowledges that there exists an overlap in the businesses constituting the Seller Existing Business (including the business and business segments described on Section 1.01(ii) of the Seller Disclosure Schedule) and the businesses constituting the Purchaser Existing Business (including as proposed to be conducted under the Product and Service Extensions) and agree that nothing in this Section 5.17 shall be deemed to restrict either party from engaging in such overlapping businesses.

SECTION 5.18. Delivery of Audited Financial Statements of the Business. Upon no less than 75 days notice and only to the extent necessary for Purchaser to comply with SEC rules requiring the inclusion of historical financial statements of the Business, Seller shall, within the timeframe required by such requirements, provide to Purchaser (a) an audited consolidated balance sheet and statements of operations and cash flow as of and for the fiscal year ended December 31, 2009, and (b) an unaudited financial balance sheet and statements of operations and cash flow with respect to any interim periods after December 31, 2009 required pursuant to such SEC rules (collectively, the “**Historical Financial Statements**”). The Historical Financial Statements shall be prepared in accordance with US GAAP throughout the periods covered thereby and present fairly the financial condition of the Business, on a combined basis, as of December 31, 2009 and the results of operations of the Business, on a combined basis, for such period. Purchaser shall bear all reasonable, out-of-pocket third party costs, fees and expenses of Seller and its Subsidiaries actually incurred in connection with the preparation and audit of the Historical Financial Statements.

SECTION 5.19. Siemens Indemnity and Guaranty. Seller and its Affiliates shall use commercially reasonable efforts to obtain an indemnity from Siemens Components, Inc. or its successor and a related guaranty from Siemens Corporation, each in favor of EMBP 455 and each that is substantively identical to, or in any case, no less protective than, the terms of the 1993 Indemnity and the 1993 Guaranty, respectively.

SECTION 5.20. Bangalore Sublease. Prior to the expiration of the Transition Services Agreement for space located in Bangalore, India that is currently leased by a Subsidiary of Seller, upon request of the Purchaser, Seller shall cause such Subsidiary to enter into a sublease with Purchaser for space on the second floor of the subject building that is adequate for the number of personnel located at that location being transferred to Purchaser pursuant to the Transactions and adequate for the continued conduct of the Business as currently conducted, with a term that is coterminous with Seller’s Subsidiary’s lease and which otherwise contains customary terms and conditions.

SECTION 5.21. Export Control Voluntary Disclosure. Seller shall use commercially reasonable efforts to cooperate with Purchaser prior to the Closing Date with respect to Purchaser’s investigation of the Business’ compliance with applicable export control and trade and economic sanctions laws, including but not limited to the U.S. Commerce Department’s Export Administration Regulations (the “EAR”) and sanctions laws maintained by the U.S. Treasury Department’s Office of Foreign Assets Control, as well as all applicable export control and sanctions laws maintained by other jurisdictions. Should any applicable or U.S. export control or trade and economic sanctions laws violations be identified in connection with such investigation, Seller shall, prior to the Closing Date and unless otherwise agreed by Purchaser, prepare and file a written initial notification of voluntary disclosure to the relevant government authority of any exports or other transactions involving business products or technology prior to obtaining proper authorization for such exportations and any other information that is required to be disclosed under relevant laws and regulations. Seller will provide Purchaser and its counsel a reasonable opportunity to review and comment on any such communications, prior to their submission. From and after the Closing, Purchaser shall be solely responsible for determining the contents of, and making, any final notification of voluntary disclosure to any government authority and such other voluntary disclosures as Purchaser or any

of its affiliates elect to file or otherwise make; provided that (a) Purchaser shall provide Seller and its counsel a reasonable opportunity to review and comment on any such communications with the EAR with respect to conduct prior to the Closing and (b) Seller shall be entitled to take any actions that it reasonably determines are required by applicable Law.

SECTION 5.22. Intercompany IP Licenses. Seller shall terminate, prior to or at the Closing, any licenses or immunities from suit granted by Seller or any of its wholly owned Subsidiaries (including the Companies), under any of the Transferred Intellectual Property or Intellectual Property Rights owned by the Companies, in favor of Seller or any of its wholly owned Subsidiaries.

ARTICLE VI
EMPLOYEE MATTERS

SECTION 6.01. Offers and Terms of Employment.

(a) Section 1.01(v) of the Seller Disclosure Schedule and Section 3.11(c) of the Seller Disclosure Schedule shall be updated no later than ten Business Days prior to the Closing Date to reflect, with respect to Employees below the level of Vice President, hiring, promotions, demotions, transfers or other status changes and attrition, and further accruals or reductions in the ordinary course of the business consistent with past practice from the date hereof to the Closing Date; provided that Seller shall not transfer the employment of any employee to the Business, or of any Employee who is not an Excluded Employee outside of the Business, without the prior written consent of Purchaser; provided further that within 15 Business Days following the date hereof, Purchaser may remove up to forty-four (44) Employees from the list of Employees on Section 1.01(v) of the Seller Disclosure Schedule (the "**Purchaser Excluded Employees**"). Seller shall, and shall cause the relevant Seller Subsidiaries to, terminate, effective as of the Closing Date, the employment of each Offeree who accepts Purchaser's or one of its Subsidiaries' offer of employment and whose employment does not otherwise transfer automatically by operation of law to Purchaser. No later than three days prior to, and effective as of, the Closing Date, Purchaser shall, or shall cause one of its applicable Subsidiaries to, offer employment to each Employee who is listed in Section 1.01(v) of the Seller Disclosure Schedule (each such Employee, an "**Offeree**"). Notwithstanding the foregoing provisions of this Section 6.01(a), for employees located in non-U.S. jurisdictions for whom the transfer of employment mechanism described above would be inconsistent with local requirements (each, a "**Non-U.S. TE**"), employment shall transfer through assumption of employment contracts or otherwise in compliance with such requirements. Section 6.01(a) of the Seller Disclosure Schedule sets forth the manner in which the employment of each Non-U.S. TE is intended by the Purchaser and Seller to be transferred. Each Offeree who accepts Purchaser's or one of its Subsidiaries' offer of employment, together with each Share Transfer Employee whose employment continues with the Companies or other Employee who is transferred to Purchaser or a Subsidiary of Purchaser automatically by operation of Law upon the Closing or pursuant to the mechanism set forth on Section 6.01(a) of the Seller Disclosure Schedule (and excluding in each case the Excluded Employees), shall be referred to herein as a "**Transferred Employee**". An Offeree who performs work at his or her then applicable place of employment in the Business on the first Business Day immediately following the Closing Date shall be

deemed for all purposes of this Agreement to have accepted the offer of employment and to be a Transferred Employee for all purposes of this Agreement. Purchaser shall, upon the request of Seller, promptly advise Seller in writing of the terms of employment that were offered to any Offeree who does not become a Transferred Employee.

(b) Except as otherwise required by Section 6.01(a) of the Seller Disclosure Schedule in respect of any Non-U.S. TE or where it would otherwise be inconsistent with local requirements, Purchaser shall cause each offer of employment pursuant to Section 6.01(a) or, where applicable, the continuation of employment with the Companies to provide for employment on terms that satisfy the following minimum conditions (unless otherwise consented to by such Offeree in writing): (i) base salary or wages, as applicable, shall be at least equal to those provided to each Offeree immediately prior to the Closing Date, (ii) except as set forth on Exhibit K, principal place of employment that is less than fifty miles from each Offeree's principal place of employment as of the Closing and (iii) employee benefits and incentive compensation opportunities shall be substantially similar in the aggregate as those provided to similarly situated employees of the Purchaser (collectively, the "**Employment Terms**"); provided that in the case of any Offeree whose terms and conditions of employment are subject to collective bargaining or other collective labor representation, Purchaser shall cause each such offer of employment (or, where applicable, the continuation of employment) to have such Employment Terms as may be required under applicable Law or any applicable collective bargaining or other collective labor agreement. In addition, Purchaser shall, and shall cause any of its Subsidiaries that employs a Transferred Employee (including the Companies) to, provide initial Employment Terms sufficient to avoid statutory or common law severance or separation benefits, any contractual or other severance or separation benefits, or any other legally mandated payment obligations (including any Liability to Transferred Employees under the WARN Act), other than where such severance or separation obligations are automatic, which automatic payments shall be the responsibility of Seller except to the extent of payments set forth on Section 6.01(b) of the Seller Disclosure Schedule.

(c) During the one-year period immediately following the Closing Date (or any longer period required by applicable Law, such period, the "**Coverage Period**"), Purchaser shall, and shall cause its Subsidiaries to, continue to provide each Transferred Employee with Employment Terms (other than with respect to clause (ii) of the definition of Employment Terms) that are the same or more beneficial to such Transferred Employee as those initially provided to such Transferred Employee by Purchaser or one of its Subsidiaries pursuant to this Section 6.01, except for broad-based reductions applicable to similarly situated employees of Purchaser. Nothing in this Agreement shall restrict the right of Purchaser or a Subsidiary of Purchaser to terminate the employment of any Transferred Employee or any Excluded Employee; provided that any such termination is effected in accordance with applicable Law and the terms of any applicable Purchaser Benefit Plan or applicable collective agreement or collective bargaining agreement; provided further that Purchaser and Seller shall cooperate with each other in connection with the termination of any Excluded Employee. Notwithstanding the foregoing, in respect of those Transferred Employees employed in jurisdictions specified on Section 6.01(c) of the Seller Disclosure Schedule, during the Coverage Period Purchaser shall, and shall cause any of its Subsidiaries that employs a Transferred Employee located in any such specified jurisdictions, to provide the Transferred Employees with the employment terms and conditions specified on Section 6.01(c) of the Seller Disclosure Schedule.

(d) With respect to each Transferred Employee who, during the Coverage Period, is terminated without cause (as defined in the applicable Purchaser severance plan, policy or agreement that covers such Transferred Employee), Purchaser shall provide, or shall cause its applicable Subsidiary to provide, such Transferred Employee with the severance payments and benefits the Transferred Employee would be entitled to under the applicable plan, policy or agreement of the Purchaser or its relevant Subsidiary applicable to such Transferred Employee following the Closing Date.

(e) Seller will provide Purchaser with a list of any Offerees who are on visa status (the “**Visa Employees**”) no later than ten Business Days before the Closing Date. The Visa Employees’ start dates with Purchaser will be contingent on their ability to transfer to Purchaser or one of its Affiliates. Purchaser shall use commercially reasonable efforts, at its cost, to obtain transfers of or new visas permitting the Visa Employees to become employees of Purchaser or one of its Affiliates, including, without limitation, preparing all necessary applications and other paperwork associated with transferring or obtaining such visas.

(f) Not later than five days after the end of each calendar quarter in the twelve-month period following the Closing Date, to the extent permitted by applicable Law, Purchaser shall provide Seller with the information set forth in Section 6.01(f) of the Seller Disclosure Schedule with respect to each Transferred Employee whose employment with Purchaser or any of its Subsidiaries terminated during such month, provided that the information provided following the twelve-month anniversary of the Closing Date shall cover the entire period since the Closing Date.

SECTION 6.02. Assumption of Liabilities.

(a) On or as soon as practicable following the Closing Date (and no later than such time as is required by applicable Law), Seller shall pay to each Transferred Employee with a primary work location in the United States, and each other Transferred Employee whose accrued but unpaid base salary (or similar wages) and vacation/PTO is permitted by applicable Law to be paid by Seller or its Subsidiaries at Closing, his or her accrued but unpaid base salary (or similar wages) and vacation/PTO benefits through the Closing Date. Effective from and after the Closing, Purchaser shall, and shall cause its Subsidiaries to, assume, honor, pay and perform any and all Liabilities of Seller, or any of its Subsidiaries (including the Companies) to or in respect of any other Transferred Employee for unpaid base salary (or similar wages) and vacation/PTO benefits accrued as of the Closing and not paid by Seller or its Subsidiaries pursuant to the immediately preceding sentence (collectively, the “**Accrued TE Liabilities**”). In addition, Purchaser shall, and shall cause its Subsidiaries to, comply with the terms and conditions set forth on, and pay and provide the payments and benefits specified on, Section 6.02(a) of the Seller Disclosure Schedule to the Transferred Employees located in a non-U.S. jurisdiction.

(b) Effective from and after the Closing, Purchaser and its Subsidiaries shall assume and be solely responsible for any and all Liabilities arising in connection with any actual or threatened claim by any Transferred Employee that his or her employment in connection with the Business or otherwise with Seller or any of its Subsidiaries has been actually or

constructively terminated as a direct or indirect result of or otherwise in connection with the consummation of the transactions contemplated by this Agreement.

(c) In addition, effective from and after the Closing, Purchaser and its Subsidiaries shall assume and be solely responsible for any and all employee, employee benefits and other employment-related Liabilities related to, arising out of or in connection with the Employees and the Business (other than with respect to any Excluded Employees or, except as set forth in 6.02(f), Purchaser Excluded Employees) whether arising prior to, on or after the Closing, except as otherwise specifically provided in this Article VI and except for the following Liabilities, which Liabilities will be retained by Seller:

(i) accrued but unpaid base salaries and vacation benefits for Transferred Employees located in the U.S. or otherwise required by applicable Law to be paid by Seller or its Subsidiaries at Closing and Accrued TE Liabilities;

(ii) any Liabilities under the VeriSign Performance Plan, including a pro-rata portion of annual bonuses for the year in which the Closing occurs reflecting the portion of the year prior to Closing;

(iii) any Liabilities under retention plans and agreements of Seller, any Seller Subsidiary or any Company, except as set forth in Section 6.02(e) below;

(iv) Liabilities under Seller's equity incentive plans and agreements thereunder;

(v) Liabilities under Seller Benefit Plans maintained by Seller in the United States;

(vi) except for Liabilities assumed by Purchaser pursuant to Section 6.02(a), any Liabilities arising from the employment of any Employees located in a non-U.S. jurisdiction prior to the Closing; and

(vii) Losses arising from any wage and hour claims by Employees related to pre-closing employment by Seller or any of its Subsidiaries prior to the Closing.

(d) Purchaser shall, and shall cause its Subsidiaries to, pay the Transferred Employees in respect of annual bonuses for the portion of Seller's fiscal year such Transferred Employees are employed by Seller and its Subsidiaries prior to the Closing Date, such amounts as are determined by Seller to be payable, as set forth in a schedule to be provided by Seller to Purchaser prior to the Closing Date, net of any tax withholdings required in respect of such payments. Such bonus payments shall only be made to those Transferred Employees who remain continuously employed by Purchaser and its Subsidiaries through the specified payment date. Seller shall, not later than ten Business Days prior to the date such payments are to be made (as specified by Seller in such schedule), pay to Purchaser the aggregate of such amounts plus the amount of employment taxes actually required to be paid by Purchaser or its Subsidiaries (excluding, for the purposes of clarity, amounts withheld from the payments themselves) in respect of such amounts. (For the avoidance of doubt, in determining the

“employment taxes actually required to be paid,” if an amount required to be paid to a Transferred Employee pursuant to this Section 6.02(d) is, together with other amounts previously paid to the Transferred Employee during the applicable year, in excess of the wages subject to employment taxes for the applicable year (such as amounts required to be paid in excess of wages subject to the non-HI portion of FICA taxes), such excess amount will not be treated as subject to an employment tax).

(e) (i) Purchaser shall pay the retention payments due following the Closing to the individuals, and in the amounts, set forth on Section 6.02(e)(i)(A) of the Seller Disclosure Schedule pursuant to agreements to be entered into by Purchaser prior to Closing; provided that Seller shall, not later than ten Business Days prior to the date such payments are to be made, pay to Purchaser an amount equal to the portion set forth on Section 6.02(e)(i)(B) of the Seller Disclosure Schedule plus the amount of employment taxes actually required to be paid by Purchaser or its Subsidiaries (excluding, for the purposes of clarity, amounts withheld from the payments themselves) in respect of such portion.

(ii) Purchaser shall pay the retention payments due following the Closing to the individuals (to the extent they become Transferred Employees), and in the amounts, set forth on Section 6.02(e)(ii) of the Seller Disclosure Schedule, but only to the extent such retention payments become payable following the period of employment with Purchaser or its Subsidiaries as specified in the applicable agreement or on an earlier termination without cause by the Purchaser or its Subsidiaries.

(f) With respect to any Purchaser Excluded Employee that is terminated by Seller or any of its Subsidiaries within 270 days following the Closing Date, Purchaser shall be responsible for an amount equal to the product of (i) fifty percent (50%) and (ii) an amount equal to (A) the severance payments and benefits the Purchaser Excluded Employees would be entitled to receive under the applicable Seller Benefit Plan as in effect as of the date hereof as previously disclosed to Purchaser minus (B) the severance payments and benefits such Purchaser Excluded Employee would have been entitled to receive under the applicable plan, policy or agreement of Purchaser that would have covered such Purchaser Exclude Employee had he or she been a Transferred Employee (the “**Additional Excluded Employee Severance**”). Purchaser shall pay to Seller or a Subsidiary of Seller, as applicable, the Additional Excluded Employee Severance, such amount as determined by Seller (in cooperation with Purchaser) to be payable, as set forth in a schedule to be provided by Seller to Purchaser, not later than ten Business Days prior to the date such severance payments are to be made (as specified by Seller in such schedule) or as otherwise agreed between the parties.

(g) Purchaser agrees that it shall be solely responsible for satisfying the continuation coverage requirements of Section 4980B of the Code for all “M&A qualified beneficiaries,” as such term is defined in Treasury Regulation 54.4980B-9.

SECTION 6.03. Union Employees and Plans.

(a) Effective as of the Closing Date, Purchaser shall, or shall cause one of its Subsidiaries to, (i) recognize each collective bargaining or other labor representative then

representing any of the Employees, and (ii) assume each collective bargaining or other collective labor agreement covering any Transferred Employees or the terms and condition of employment of any Transferred Employees. From and after the Closing Date, Purchaser shall, and shall cause its Subsidiaries to, assume, honor, pay and perform all of the Liabilities and obligations under or in respect of each such collective bargaining or other collective labor agreement in accordance with the terms thereof as in effect immediately prior to the Closing Date or as the same may thereafter be amended in accordance with its terms, including all such Liabilities and obligations of Seller or any of its Subsidiaries.

(b) Seller and Purchaser shall cooperate and take all reasonably necessary or appropriate actions with respect to any requirement under applicable Law or any applicable agreement to notify the collective bargaining or other labor representatives of the Employees of this Agreement and/or the transactions contemplated hereby, including any applicable works council, and to provide such information and engage in such notifications, discussions or negotiations with such representatives as may be required by applicable Law or any applicable agreement.

SECTION 6.04. Participation in Purchaser Benefit Plans.

(a) Effective as of the Closing Date, except as otherwise provided in this Article VI, each Transferred Employee shall cease to participate in any Seller Benefit Plan (other than as a former employee of Seller and its Subsidiaries to the extent, if any, permitted by the terms of such Seller Benefit Plan). Effective from and after the Closing, Purchaser shall, or shall cause its applicable Subsidiaries to, establish or have in effect Benefit Plans for the benefit of the Transferred Employees (and their dependents and beneficiaries) in accordance with the requirements of this Article VI and Purchaser's and its Subsidiaries' offers of employment.

(b) From and after the Closing Date, Purchaser shall, and shall cause its applicable Subsidiaries to, recognize the service of the Transferred Employees (other than Non-U.S. TEs) prior to the Closing Date with Seller or any of its Affiliates and any of their respective predecessors as service with Purchaser for purposes of eligibility to participate and vesting under Purchaser Benefit Plans providing paid time off, service awards and, for Transferred Employees located in the United States, severance benefits, as well as for purposes of vesting under Purchaser's 401(k) plan, in any case except to the extent the recognition of such service would result in the duplication of benefits for the same period of service. From and after the Closing Date, each Transferred Employee shall immediately be eligible to participate, without any waiting time, in any and all Purchaser Benefit Plans. With respect to any Purchaser Benefit Plan that is a medical, dental other health, life insurance or disability plan, to the extent permitted by the applicable Purchaser Benefit Plan, Purchaser shall, and shall cause its Subsidiaries to, (i) waive or cause to be waived any pre-existing condition exclusions and requirements that would result in a lack of coverage of any pre-existing condition of a Transferred Employee (or any dependent thereof) that would have been waived or covered under the Seller Benefit Plan in which such Transferred Employee (or any dependent thereof) was a participant immediately prior to the Closing Date, and credit or cause to be credited any time accrued against applicable waiting periods relating to such pre-existing conditions and (ii) waive any health eligibility, actively at work or medical examination requirements under the Purchaser Benefit Plans to the same extent such requirements would have been waived or satisfied under the applicable Seller

Benefit Plan in which the Transferred Employee was a participant immediately prior to the Closing.

(c) For purposes of determining the amount of vacation benefits to which each Transferred Employee whose accrued vacation is not paid out by Sellers pursuant to Section 6.02(a) shall be entitled under the Purchaser Benefit Plans following the Closing, Purchaser shall assume and honor Seller's Liabilities with respect to all vacation benefits accrued or earned but not yet used by such Transferred Employee under the Seller Benefit Plans, any collective bargaining agreement or other collective agreement, or applicable Law, as of the Closing Date.

(d) Purchaser agrees to cause its tax-qualified defined contribution plan for U.S. employees to allow each Transferred Employee who has one or more account balances in Seller's tax-qualified 401(k) plan to make a "direct rollover" of such account balances (but not including promissory notes evidencing any outstanding loans) from Seller's defined contribution plan if such Transferred Employee elects to make such a rollover. At Closing, Seller will vest account balances of Transferred Employees under Seller's 401(k) plan.

SECTION 6.05. WARN Act Compliance. The parties agree to cooperate in good faith to determine whether any notification may be required under the Worker Adjustment and Retraining Notification Act, as amended (the "**WARN Act**"), and any similar Law, and Purchaser agrees to provide any required notice under the WARN Act, and any similar Law, and to otherwise comply with the WARN Act and any such other similar Law with respect to any "plant closing" or "mass layoff" (as defined in the WARN Act) or group termination or similar event affecting Transferred Employees (including as a result of the consummation of the transactions contemplated by this Agreement) and occurring from and after the Closing. Seller shall comply with the WARN Act or any similar Law with respect to any "plant closing" or "mass layoff" (as defined in the WARN Act) or group termination or similar event affecting Employees and occurring prior to the Closing. On the Closing Date, Seller shall notify Purchaser of any "employment loss" (as that term is defined in the WARN Act) of any Employees in the 90-day period prior to the Closing. Purchaser shall notify Seller of any "employment loss" (as that term is defined in the WARN Act) of any Transferred Employees in the 90-day period following Closing.

SECTION 6.06. No Amendments or Third-Party Beneficiaries.

(a) Nothing contained in this Agreement shall (i) constitute or be deemed to be an amendment to any Purchaser Benefit Plan or Seller Benefit Plan or (ii) require Purchaser to amend, modify, affect, or terminate any Purchaser Benefit Plan.

(b) The provisions of this Article VI are for the sole benefit of the parties to this Agreement and nothing herein, expressed or implied, is intended or shall be construed to confer upon or give to any Person (including for the avoidance of doubt any Employee), other than the parties hereto and their respective permitted successors and assigns, any legal or equitable or other rights or remedies (with respect to the matters provided for in this Section 6.06) under or by reason of any provision of this Agreement.

ARTICLE VII
TAX MATTERS

SECTION 7.01. Transfer Taxes and VAT.

(a) Transfer Taxes. All Transfer Taxes imposed by any Governmental Authority in connection with this Agreement, the Ancillary Agreements and the Transactions shall be borne equally by Purchaser and Seller, whether levied on Seller, Purchaser or their respective Affiliates (including a Company).

(b) VAT.

(i) The Purchase Price and any other consideration payable or to be given pursuant to this Agreement and the Ancillary Agreements in respect of the Transactions is stated exclusive of any applicable VAT.

(ii) If any payment or other consideration payable or to be given under this Agreement and the Ancillary Agreements in respect of the Transactions constitutes the consideration for a taxable supply for VAT purposes, then in addition to, and at the same time as that payment, or if later upon presentation of a valid VAT invoice, Purchaser shall pay or cause to be paid by the relevant Affiliate thereof an amount equal to the VAT chargeable in respect of that supply.

(iii) For the avoidance of doubt, Purchaser and its Affiliates shall be entitled to retain any VAT recovered in respect of the Transactions.

SECTION 7.02. Tax Covenants.

(a) Without the prior written consent of Purchaser (which consent shall not be unreasonably withheld, conditioned or delayed), none of Seller, any Company and any Affiliate of Seller shall, to the extent it may materially affect any Company with respect to periods after the Closing Date, make or change any Tax election, change any annual Tax accounting period, adopt or change any method of Tax accounting, file any amended Tax Return, enter into any closing agreement or any other agreement or arrangement with any Taxing Authority, settle any Tax claim or assessment, surrender any right to claim a Tax refund, offset or other reduction in Tax liability or consent to any extension or waiver of the limitation period applicable to any Tax claim or assessment. This Section 7.02(a) shall not apply to any action in the ordinary course of business consistent with past practice. For the avoidance of doubt, a reduction in Tax Assets of the Companies generated during a Taxable period (or portion thereof) ending on or before the Closing Date shall not be treated as affecting a Company.

(b) Seller shall not take or omit to take any action that would cause any Company to cease being a member of any Seller Group prior to the close of business on the Closing Date.

SECTION 7.03. Tax Characterization of Adjustments. Seller and Purchaser agree to treat, and cause their respective Subsidiaries to treat, all payments made either to or for

the benefit of the other under any indemnity provisions of this Agreement and for any misrepresentations or breach of warranty or covenants as adjustments to the Purchase Price for Tax purposes and that such treatment shall govern for purposes hereof.

SECTION 7.04. Tax Indemnification and Parties' Responsibility.

(a) Subject to Section 7.01, and except to the extent such Taxes are subject to indemnification by Purchaser pursuant to Section 7.04(b)(ii), Seller and the relevant Seller Subsidiary is and shall remain solely responsible for, and shall jointly and severally indemnify and hold harmless each Purchaser Indemnified Person from and against (i) all Taxes imposed on or with respect to the Companies, the Transferred Assets or the Business, as applicable, (A) for Taxable periods ending on or before the Closing Date and (B) with respect to Straddle Periods, for the portion of such Taxes allocable to the period up to and including the Closing Date (as determined under Section 7.04(c)), (ii) all liabilities for Taxes imposed on or with respect to a Company as a result of being or having been before the Closing a member of any affiliated, consolidated, combined or unitary group, (iii) all Taxes imposed on or with respect to Purchaser or its Affiliates, the Companies, the Transferred Assets or the Business, arising from or relating to any breach by Seller or its Affiliates of any covenant under this Article VII, (iv) all liabilities of any Company for the payment of any amount as a result of being party to any Tax Sharing Agreement, (v) all Taxes of any Company arising as a result of (A) any adjustment in a Company's taxable income for any Taxable period (or portion thereof) beginning after the Closing Date under Section 481(c) of the Code as a result of a change in method of accounting for a Taxable period (or portion thereof) ending on or prior to the Closing Date and (B) any Company being required, as a result of the installment method or the look-back method (as defined in Section 460(b) of the Code), to include for any Taxable period (or portion thereof) beginning after the Closing Date taxable income with respect to a contract or a transaction entered into prior to the Closing Date, (vi) all reductions in foreign tax credits arising in a Taxable period (or portion thereof) beginning after the Closing Date resulting from the allocation, in whole or in part, of a consolidated overall foreign loss that is in existence as of the Closing Date to any Company, and (vii) reasonable expenses of investigation and reasonable attorneys' fees and expenses in connection with any action, suit or proceeding with respect to the foregoing. To the extent there are Tax Assets of the Companies generated during a Taxable period (or portion thereof) ending on or before the Closing Date that are permitted, under applicable Law, to reduce Taxes imposed on or with respect to the Companies for Taxable periods (or portions thereof) ending on or before the Closing Date, such Tax Assets shall be used to reduce such Taxes.

(b) Subject to Section 7.01, and except to the extent such Taxes are subject to indemnification by Seller, Purchaser and the relevant Subsidiary of Purchaser shall be solely responsible for, and shall jointly and severally indemnify and hold harmless each Seller Indemnified Person from and against (i) all Taxes imposed on or with respect to the Companies, the Transferred Assets or the Business, as applicable (A) for Taxable periods beginning after the Closing Date and (B) with respect to Straddle Periods, for the portion of such Taxes allocable to the period after the Closing Date (as determined under Section 7.04(c)), in each case, except to the extent such Taxes are subject to indemnity by Seller pursuant to Section 7.04(a), (ii) all Taxes imposed on or with respect to Seller or its Affiliates, the Companies, the Transferred Assets or the Business, arising from or relating to any breach by Purchaser or its Affiliates of any

covenant under this Article VII or the covenant set forth in Section 2.01(e), and (iii) reasonable expenses of investigation and reasonable attorneys' fees and expenses in connection with any action, suit or proceeding with respect to the foregoing.

(c) In the case of any Straddle Period relating to the Business, the Companies and/or the Transferred Assets, the amount of any sales or use Taxes and any Taxes based on or measured by gross receipts or income for the portion of the Straddle Period up to and including the Closing Date shall be determined based on an interim closing of the books as though the Taxable period of the Business ended at the end of the day on the Closing Date (it being understood, that any items of income resulting from, or relating to, non-ordinary course transactions by Purchaser or any of its Affiliates (including the Companies) on the Closing Date, after the Closing, shall be allocated solely to the Purchaser). Straddle Period Taxes shall be pro-rated as of the Closing, with Seller (and any relevant Seller Subsidiary) being liable for such Taxes attributable to the days in the Straddle Period through and including the Closing Date and Purchaser (and any relevant Subsidiary of Purchaser) being liable for such Taxes attributable to days in the Straddle Period after the Closing Date. Proration of Straddle Period Taxes shall be made on the basis of the most recent officially certified Tax valuation and assessment for the Transferred Assets. If such valuation pertains to a Tax period other than that in which the Closing Date occurs, such proration shall be recalculated at such time as actual Tax bills for such period are available and the parties shall cooperate with each other in all respects in connection with such recalculation and pay any sums due in consequence thereof to the party entitled to recover the same within 60 days after the issuance of such actual Tax bills. For purposes of this Agreement, "**Straddle Period Taxes**" means (i) Taxes imposed on or with respect to the Companies with respect to a Straddle Period, other than sales or use Taxes or Taxes based on or measured by gross receipts or income, and (ii) property taxes and similar ad valorem obligations levied with respect to the Transferred Assets (other than the Additional Securities) with respect to a Straddle Period.

(d) Seller and each Seller Subsidiary shall have no obligation to indemnify under Section 7.04(a) unless and until the aggregate amounts otherwise indemnifiable pursuant to Section 7.04(a) exceed \$250,000. Purchaser and each Subsidiary of Purchaser shall have no obligation to indemnify under Section 7.04(b) unless and until the aggregate amounts otherwise indemnifiable pursuant to Section 7.04(b) exceed \$250,000.

(e) To the extent an amount indemnifiable under this Section 7.04 or the underlying matter that gives rise to such indemnifiable amount, gives rise to a cash Tax Benefit that is actually realized by the indemnified party within one year after such indemnification payment is made, such indemnified party shall refund to the indemnifying party the amount of such Tax Benefit (up to, but not in excess of, the amount of such indemnification payment) when realized. For purpose of this paragraph, a "**Tax Benefit**" means the net amount by which the cash Tax liability of the indemnified party (or the group of which it is a member) is reduced, net of any Tax effect on the indemnified party or any of its Affiliates attributable to the reduction in such cash Tax liability.

SECTION 7.05. Tax Returns.

(a) Seller shall be responsible for the timely filing (taking into account any extensions received from the relevant Taxing Authorities) of all Tax Returns required by Law to be filed by, or with respect to, the Companies (i) that relate to a Taxable period that ends on or before the Closing Date or (ii) on a consolidated or combined basis with the Seller or any of its Affiliates (other than the Companies). Such Tax Returns shall be true, correct and complete in all material respects and accurately set forth all items to the extent required to be reflected or included in such Tax Returns by applicable Laws and all Taxes indicated as due and payable on such Tax Returns shall be paid or will be paid by Seller as and when required by Law. Such Tax Returns (except for Tax Returns described in Section 7.05(a)(ii)) shall be prepared on a basis consistent with those prepared for prior Taxable periods unless Seller determines in good faith that it is required under Law to report otherwise.

(b) Purchaser shall be responsible for the timely filing (taking into account any extensions received from the relevant Taxing Authorities) of all Tax Returns required by Law to be filed by, or with respect to, the Companies after the Closing Date with respect to any Taxable Period that is a Straddle Period (except for Tax Returns described in Section 7.05(a)(ii)), it being understood that all Taxes indicated as due and payable on such Tax Returns shall be the responsibility of Purchaser, except for such Taxes that are the responsibility of Seller pursuant to Section 7.04, which shall be promptly paid by Seller to Purchaser or, at Purchaser's request, to the applicable Taxing Authority. Such Tax Returns shall be prepared by Purchaser on a basis consistent with those prepared for prior Taxable periods unless Purchaser determines in good faith that it is required under Law to report otherwise.

(i) Seller shall be entitled to review and comment on any Tax Return for the Companies described in Section 7.05(b) (other than Tax Returns that are filed on a monthly basis, or more often) before it is filed by Purchaser. Purchaser shall submit a draft of any such Tax Return to Seller at least 60 days before the date such Tax Return is required to be filed with the relevant Taxing Authority (taking into account any extensions received from the relevant Taxing Authority). Seller shall have 10 days after the date of receipt thereof to submit to Purchaser in writing Seller's comments with respect to such Tax Return. Purchaser shall notify Seller within 10 days after receipt of such comments of (a) the extent, if any, to which Purchaser accepts such comments and will file such Tax Return in accordance therewith and (b) the extent, if any, to which Purchaser rejects such comments.

(ii) To the extent Purchaser rejects comments of Seller, Purchaser and Seller shall, within 10 days, appoint an independent public accounting firm of nationally recognized standing that does not then audit the books of Purchaser, Seller or any relevant Subsidiary to determine the correct manner for reporting the items that are in dispute. Seller and Purchaser agree promptly to provide to such accounting firm all relevant information, and such accounting firm shall have 30 days to submit its determination. The determination of such accounting firm shall be binding upon the parties and Purchaser shall file such Tax Return in accordance therewith. In the event the accounting firm concludes that either party

was correct as to sixty–five percent or more (by dollar amount) of the disputed items, then the other party shall pay the accounting firm fees, costs and expenses. In the event the accounting firm fails to make such conclusion, then each party shall pay one–half the accounting firm’s fees, costs and expenses.

(c) Purchaser shall be entitled to review and comment on any Tax Return for the Companies described in Section 7.05(a)(i) that are filed after the Closing Date before it is filed by Seller. Seller shall submit a draft of any such Tax Return to Purchaser at least 40 days before the date such Tax Return is required to be filed with the relevant Taxing Authority (taking into account any extensions received from the relevant Taxing Authority). Purchaser shall have 10 days after the date of receipt thereof to submit to Seller in writing Purchaser’s comments with respect to such Tax Return and to specify with respect to which such comments (the “**Opinion Comments**”), if rejected by Seller, Seller shall be required to provide Purchaser with an Opinion (as defined below). Seller shall (i) consider in good faith Purchaser’s comments, (ii) notify Purchaser within 20 days after receipt of such comments of (a) the extent, if any, to which Seller accepts such comments and (b) the extent, if any, to which Seller rejects such comments, (iii) provide Purchaser with an opinion letter of a nationally recognized law or accounting firm selected by Seller that the signer or preparer of the applicable Tax Return should not be subject to penalties as a result of not including the Opinion Comments that were rejected by Seller in such Tax Return (the “**Opinion**”), and (iv) and will file such Tax Return in accordance therewith. The costs of the Opinion shall be borne by Purchaser.

(d) Purchaser shall be responsible for the filing of all Tax Returns required by Law to be filed by, or with respect to, the Companies after the Closing Date with respect to Taxable periods starting after the Closing, it being understood that all Taxes indicated as due and payable on such Tax Returns shall be the responsibility of Purchaser, except for such Taxes that are the responsibility of Seller pursuant to Section 7.04.

SECTION 7.06. Post Closing Covenants. Except as required by Law, neither Purchaser nor any of its Affiliates will, without the prior written consent of Seller (which consent shall not be unreasonably withheld, conditioned or delayed):

(a) amend, re–file, revoke or otherwise modify any Tax Return or Tax election of, or in respect of, the Companies or the Transferred Assets with respect to (i) a Straddle Period if such amendment, re–filing, revocation or other modification has any adverse effect on Seller or any of its Affiliates, or (ii) a Taxable period ending on or prior to the Closing Date;

(b) grant any extension of any applicable statute of limitation with respect to any Tax Return of, or in respect of, any Company with respect to any pre–Closing Tax period; and

(c) make any election under Section 338(g) of the Code or a comparable provision of state, foreign or other Tax Law with respect to the transactions contemplated by this Agreement (including with respect to VeriSign Japan).

SECTION 7.07. Cooperation on Tax Matters. The parties shall cooperate fully, as and to the extent reasonably requested by the other party, in connection with the filing of all

material federal, state, local and foreign Tax Returns and other governmental filings associated therewith pursuant to this Article VII (including any report required pursuant to Section 6043A of the Code and all Treasury Regulations promulgated thereunder) and any audit, litigation, or other proceeding with respect to Taxes. Such cooperation shall include the retention and (upon the other party's request) the provision of records and information that are reasonably relevant to any such audit, litigation or other proceeding and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. In addition to the requirements described in Section 5.11, Purchaser and Seller agree (i) to retain all books and records with respect to Tax matters pertinent to any Company or the Transferred Assets relating to any pre-Closing Tax period or Straddle Period until the expiration of any applicable statute of limitations, and to abide by all record retention agreements entered into with any Governmental Authority for all periods required by such Governmental Authority, and (ii) to use commercially reasonable efforts to provide the other party with at least thirty (30) days' prior written notice before destroying any such books and records, during which period the party receiving the notice can elect to take possession, at its own expense, of such books and records.

SECTION 7.08. Refunds. Purchaser shall promptly pay to Seller an amount equal to any refund received or credit actually utilized (including any interest paid or credited with respect thereto and reduced by any net Tax required under applicable Law to be paid by Purchaser, any Company or any of their respective Affiliates with respect thereto and net of any Tax effect on Purchaser, any Company or any of their respective Affiliates attributable to the reduction in any Tax Asset other than a Pre-Closing Tax Asset as a result of the receipt of such refund or credit) by Purchaser or any of its Affiliates in connection with the Transferred Assets, the Business or the Companies (i) relating to Taxable periods ending on or before the Closing Date and with respect to any Straddle Period, the portion of such period ending on the Closing Date as determined under Section 7.05(c) or (ii) attributable to any Tax pre-paid by Seller, its Affiliates. Purchaser shall, if requested, by Seller and at Seller's expense, cause the relevant entity to file for and obtain any refund or credit which would give rise to a payment under this Section 7.08.

SECTION 7.09. Tax Sharing. Any and all existing Tax Sharing Agreements between Seller and any of its Affiliates (other than each Company), on the one hand, and any Company, on the other hand, shall be terminated as of the Closing Date. After the Closing Date, none of the Companies shall have any further rights or liabilities thereunder.

SECTION 7.10. Tax Contests

(a) Purchaser agrees to give prompt notice to Seller of any liability or the assertion of any claim, or the commencement of any suit, action or proceeding in respect of which indemnity may be sought hereunder that Purchaser deems to be within the ambit of Section 7.04(a) (specifying with reasonable particularity the basis therefor) and will give Seller such information with respect thereto as Seller may reasonably request (provided, however, that failure of the Purchaser to provide prompt notice shall not relieve the Seller from its obligations to indemnify hereunder, unless Seller's ability to contest was thereby materially prejudiced). Seller may, at its own expense, (i) participate in and (ii) with respect to any suits, actions or proceedings (including Tax audits) that relate either (a) to a consolidated, combined or unitary

Tax Return of a group of which Seller or one of its post-Closing Affiliates is a part or (b) solely to pre-Closing Taxable periods, assume the defense of any such suit, action or proceeding (including any Tax audit); provided that in the case of Section 7.10(a)(ii)(b), (i) Seller shall thereafter consult with Purchaser upon Purchaser's reasonable request for such consultation from time to time with respect to such suit, action or proceeding (including any Tax audit) and (ii) Purchaser shall have the right (but not the duty) to participate in the defense thereof and to employ counsel, at its own expense, separate from the counsel employed by Seller. If Seller assumes the defense of any suit, action or proceeding (including any Tax audit) pursuant to this Section 7.10, Seller shall not, without Purchaser's consent, which consent shall not be unreasonably withheld, conditioned or delayed, agree to any settlement with respect to any Tax if such settlement could adversely affect the Tax liability of Purchaser or any of its Affiliates. Purchaser shall not settle any suit, action or proceeding in respect of which Purchaser is seeking an indemnity pursuant to Section 7.04(a) without the consent of Seller, which consent shall not be unreasonably withheld, conditioned or delayed. Seller shall be liable for the fees and expenses of counsel employed by Purchaser for any period during which Seller has had the right to, but has not, assumed the defense thereof. Whether or not Seller chooses to defend or prosecute any claim, all of the parties hereto shall cooperate in the defense or prosecution thereof. Seller shall pay Purchaser promptly for any Tax liability indemnifiable under Section 7.04(a), that results from the resolution of any such suit, action or proceeding.

(b) Seller agrees to give prompt notice to Purchaser of any liability or the assertion of any claim, or the commencement of any suit, action or proceeding in respect of which indemnity may be sought hereunder that Seller deems to be within the ambit of Section 7.04(b) (specifying with reasonable particularity the basis therefor) and will give Purchaser such information with respect thereto as Purchaser may reasonably request. Purchaser may participate in the defense of any such suit, action or proceeding (including any Tax audit), Seller shall thereafter consult with Purchaser upon Purchaser's reasonable request for such consultation from time to time with respect to such suit, action or proceeding (including any Tax audit) and Seller shall not settle any suit, action or proceeding (including any Tax audit) in respect of which Seller is seeking an indemnity pursuant to Section 7.04(b) without the consent of Purchaser, which consent shall not be unreasonably withheld, conditioned or delayed. All of the parties hereto shall cooperate in the defense or prosecution of any such Tax claim. Purchaser shall pay Seller promptly for any Tax liability indemnifiable under Section 7.04(b) that results from the resolution of any such suit, action or proceeding.

(c) Notwithstanding any other provision contained elsewhere in this Agreement (including Article X), Section 7.04 and this Section 7.10 shall govern all indemnification claims with respect to Taxes. In the event of any conflict between this Article VII and another provision in this Agreement, this Article VII shall govern.

(d) Any claim of any Purchaser Indemnified Person or any Seller Indemnified Person, as applicable, under Section 7.04 may be made and enforced by Purchaser on behalf of such Purchaser Indemnified Person or by Seller on behalf of such Seller Indemnified Person.

SECTION 7.11. Certain Disputes. Disputes that arise under this Article VII and are not resolved by mutual agreement within 30 days shall be resolved by a nationally recognized expert in the relevant area with no material relationship with Purchaser, Seller or

their Affiliates (the “**Tax Referee**”), chosen and mutually acceptable to both Purchaser and Seller within five days of the date on which the need to choose the Tax Referee arises. The Tax Referee shall resolve any disputed items within 30 days of having the item referred to it pursuant to such procedures as it may require. The costs, fees and expenses of the Tax Referee shall be borne equally by Purchaser and Seller.

SECTION 7.12. Survival. Notwithstanding anything in this Agreement to the contrary, the provisions of this Article VII shall survive for the full period of all applicable statutes of limitations (giving effect to any waiver, mitigation or extension thereof).

ARTICLE VIII

CONDITIONS TO CLOSING

SECTION 8.01. Conditions to Each Party’s Obligation. The obligation of Purchaser and Seller to consummate the Closing shall be subject to the fulfillment or waiver of each of the following conditions:

(a) Governmental Approvals. All applicable waiting periods under the HSR Act and any other antitrust or trade regulation Laws of any jurisdiction listed in Section 8.01(a) of the Seller Disclosure Schedule, if applicable to the consummation of the transactions contemplated by this Agreement, shall have expired or been terminated, and all necessary Consents thereunder shall have been received.

(b) No Injunctions or Restraints. There shall be no Governmental Order or other legal restraint in existence that precludes or prohibits the consummation of the Closing.

SECTION 8.02. Conditions to Obligations of Seller. The obligation of Seller to consummate the Closing shall be subject to the fulfillment or waiver of each of the following conditions:

(a) Except for any inaccuracies that have not had and would not reasonably be expected to have, individually or in the aggregate, a material adverse effect on the ability of Purchaser to consummate the Transactions or on Seller or any of its Affiliates, each representation and warranty contained in Article IV (disregarding all materiality and Material Adverse Effect qualifications contained therein) shall be true and correct (i) as if restated on and as of the Closing Date or (ii) if made as of a date specified therein, as of such date, and Seller shall have received a certificate signed by an executive officer of Purchaser to such effect.

(b) The covenants, obligations and agreements contained in this Agreement to be complied with by Purchaser on or before the Closing shall have been complied with in all material respects, and Seller shall have received a certificate signed by an executive officer of Purchaser to such effect.

(c) Each of Purchaser and, if applicable, its wholly owned Subsidiaries shall have executed and delivered to Seller each of the Ancillary Agreements to which it is a party.

SECTION 8.03. Conditions to Obligations of Purchaser. The obligation of Purchaser to consummate the Closing shall be subject to the fulfillment or waiver of each of the following conditions:

(a) The representations and warranties contained in (i) Section 3.06(b) shall be true and correct as if restated on and as of the Closing Date, (ii) Section 3.01 and Section 3.02 shall be true and correct in all material respects as if restated on and as of the Closing Date and (iii) Article III (other than those representations and warranties described in clauses (i) or (ii) above) shall (disregarding all materiality and Material Adverse Effect qualifications contained therein) be true and correct (i) as if restated on and as of the Closing Date or (ii) if made as of a date specified therein, as of such date, except for any failures to be true and correct that have not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, and Purchaser shall have received a certificate signed by an executive officer of Seller to such effect.

(b) The covenants, obligations and agreements contained in this Agreement to be complied with by Seller on or before the Closing shall have been complied with in all material respects, and Purchaser shall have received a certificate signed by an executive officer of Seller to such effect.

(c) Since the date hereof, the Business shall not have suffered any Material Adverse Effect and no event shall have occurred or circumstance shall exist that would reasonably be expected to have a Material Adverse Effect, and Purchaser shall have received a certificate signed by an executive officer of Seller to such effect.

(d) Each of Seller and, if applicable, its Subsidiaries shall have executed and delivered to Purchaser each of the Ancillary Agreements to which it is a party.

(e) There shall not be instituted or pending any litigation, action, proceeding or suit by any Governmental Authority, challenging or seeking to prevent or enjoin the Closing.

ARTICLE IX
TERMINATION, AMENDMENT AND WAIVER

SECTION 9.01. Termination. This Agreement may be terminated at any time prior to the Closing (except as limited as to time in the case of paragraph (b) below):

(a) by the mutual written consent of Seller and Purchaser;

(b) by Seller or Purchaser, upon prior written notice to the other party, if the Closing shall not have occurred prior to October 31, 2010 (the “**End Date**”);

(c) by Seller, upon prior written notice to Purchaser, in the event a condition set forth in Section 8.01 or Section 8.02 becomes reasonably incapable of being fulfilled by the End Date and has not been waived by Seller; or

(d) by Purchaser, upon prior written notice to Seller, in the event a condition set forth in Section 8.01 and or Section 8.03 becomes reasonably incapable of being fulfilled by the End Date and has not been waived by Purchaser. Notwithstanding anything in this Section 9.01 to the contrary, no party may terminate this Agreement pursuant to paragraphs (b), (c) or (d) above if its failure to perform in any material respect any of its obligations or covenants, or the inaccuracy of any of its representations or warranties, under this Agreement has been the principal cause of, or has resulted in, the event or condition purportedly giving rise to a right to terminate this Agreement under such paragraph.

SECTION 9.02. Effect of Termination. In the event of termination of this Agreement in accordance with this Article IX, this Agreement shall be null and void and of no further force and effect, except as set forth in this Section 9.02, Section 5.03 and Article XI (which shall survive any such termination). Such termination shall not relieve any party to this Agreement from liability for any breach of this Agreement that occurred prior to such termination.

ARTICLE X INDEMNIFICATION

SECTION 10.01. Indemnification: Remedies. (a) From and after the Closing, Seller shall indemnify, defend and hold harmless Purchaser, its Subsidiaries (including the Companies), and their respective officers and directors and their respective successors and assignees by operation of Law (collectively the "**Purchaser Indemnified Persons**") from and against all Losses incurred by any of the Purchaser Indemnified Persons that arise out of:

(i) except for the representations and warranties contained in Section 3.16, any breach by Seller of any of Seller's representations and warranties contained in this Agreement (disregarding for purposes of determining Losses, but not for assessing whether or not a breach has occurred, any qualification or exception contained therein relating to materiality or Material Adverse Effect or any similar qualification or standard);

(ii) any breach by Seller of its covenants or agreements contained in this Agreement (except for the covenants contained in Article VII); or

(iii) any Retained Liabilities or Excluded Assets.

(b) From and after the Closing, Purchaser shall indemnify, defend and hold harmless Seller, its Subsidiaries, their respective officers and directors (collectively the "**Seller Indemnified Persons**") from and against all Losses incurred by any of the Seller Indemnified Persons that arise out of:

(i) any breach by Purchaser of any of Purchaser's representations and warranties contained in this Agreement (disregarding for purposes of determining Losses, but not for assessing whether or not a breach has occurred, any

qualification or exception contained therein relating to materiality or material adverse effect or any similar qualification or standard);

(ii) any breach by Purchaser of its covenants or agreements contained in this Agreement (except for the covenants contained in Article VII); or

(iii) any Assumed Liabilities.

(c) Seller's and Purchaser's indemnification obligation under Section 10.01(a) and Section 10.01(b), respectively, shall be subject to each of the following limitations:

(i) with respect to indemnification for Losses arising out of any breach of any representation or warranty contained in this Agreement (other than (x) with respect to Seller, Section 3.01, Section 3.02, Section 3.04(a)–(c), Section 3.12 or Section 3.14 and, with respect to Purchaser, Section 4.01 or Section 4.02 (each such Seller or Purchaser representation or warranty, a "Specified Warranty"), and with respect to any covenant or agreement contained in this Agreement, which obligations to indemnify shall survive indefinitely, or until the latest time permitted by Law and (y) with respect to Seller, Section 3.11, which obligation to indemnify shall terminate on the three-year anniversary of the Closing Date unless before such date Seller or Purchaser, as applicable, has provided the other party with an applicable Claim Notice), such obligation to indemnify shall terminate on the 18-month anniversary of the Closing Date unless before such date Seller or Purchaser, as applicable, has provided the other party with an applicable Claim Notice;

(ii) except (A) in the case of intentional fraud by any of the individuals listed in Section 1.01(viii) of the Seller Disclosure Schedule in connection with the Transactions and (B) with respect to any Specified Warranty, there shall be no obligation to indemnify under Section 10.01(a)(i) or Section 10.01(b)(i) (1) for any item where the Losses relating thereto are less than \$250,000 (it being understood that Losses relating to such items shall not be aggregated for purposes of the immediately following clause (2)); (2) unless the aggregate of all Losses for which, but for this clause (B), (x) Seller would be liable under Section 10.01(a)(i) exceeds on a cumulative basis an amount equal to \$12,500,000 and (y) Purchaser would be liable under Section 10.01(b)(i) exceeds on a cumulative basis an amount equal to \$12,500,000; provided that once the total amount of Losses arising out of such breaches exceeds \$12,500,000, such Purchaser Indemnified Person or Seller Indemnified Persons, as applicable, shall be entitled to recover the full amount of such Losses from the first dollar; or (3) to the extent the aggregate indemnification, (x) with respect to Seller, paid by Seller under Section 10.01(a)(i) and Section 10.03(a), exceeds \$125,000,000 and (y) with respect to Purchaser, paid by Purchaser under Section 10.01(b)(i) exceeds \$125,000,000;

(iii) there shall be no obligation to indemnify (A) under Section 10.01(a) to the extent the Loss (1) was considered in the determination of the final Closing Statement; (2) was reserved or accrued for in the Unaudited Financial

Information; or (3) relates to any breach of representation, warranty, or covenant expressly waived in writing by Purchaser or (B) under Section 10.01(b) to the extent the Loss relates to any breach of representation, warranty, or covenant expressly waived in writing by Seller;

(iv) each Loss shall be reduced by (A) the net amount of any insurance proceeds received by Purchaser or any Purchaser Indemnified Person or Seller or any Seller Indemnified Person, as the case may be, with respect to such Loss (calculated net of any out-of-pocket expenses incurred by such Indemnified Party in collecting such amount and net of the present value of any increase in applicable insurance premiums incurred directly as a result of the claim or claims that resulted in such recovery; provided that nothing in this Section 10.01(c)(iv) shall obligate any party to maintain any insurance); (B) the net amount of any indemnity payment, contribution or other similar payment Purchaser or any Purchaser Indemnified Person or Seller or any Seller Indemnified Person, as the case may be, actually received from any third party with respect to such Loss; and (C) an amount equal to any reduction of Taxes attributable to such Loss; and

(v) Seller shall have no indemnification obligations under Section 10.01(a)(iii) relating to Section 2.02(b)(vi)(B) to the extent such Losses (x) are the consequence of any Phase II soil, surface water or groundwater investigation, sampling or testing performed by Purchaser at the Owned Real Property, if the primary purpose of such investigation, sampling or testing is to accelerate Seller's obligations under Section 10.01(a)(iii) of this Agreement or (y) are caused by any material change in use of the Owned Real Property, provided, the parties agree that any redevelopment of the Property pursuant to the 2010 Development Agreement between EMBP 455, LLC and the City of Mountain View shall not be deemed a material change in use.

SECTION 10.02. Notice of Claim; Defense.

(a) If (i) any third party or Governmental Authority institutes, threatens or asserts any Action that may give rise to Losses for which a party (an "**Indemnifying Party**") may be liable for indemnification under this Article X (a "**Third-Party Claim**") or (ii) any Person entitled to indemnification under this Article X (an "**Indemnified Party**") shall have a claim to be indemnified by an Indemnifying Party that does not involve a Third-Party Claim, then the Indemnified Party shall promptly send to the Indemnifying Party a written notice specifying the nature of such claim and a good faith estimate of the amount of all related Losses (a "**Claim Notice**"). The Indemnifying Party shall be relieved of its indemnification obligations under this Article X only to the extent that it is prejudiced by the failure of the Indemnified Parties to provide a timely and adequate Claim Notice.

(b) The Indemnifying Party shall not be entitled to assume or maintain control of the defense of any Third-Party Claim and shall pay the reasonable fees and expenses of counsel retained by the Indemnified Party if (i) the Third-Party Claim relates to or arises in connection with any criminal proceeding, action, indictment, allegation or investigation against the Indemnified Party, (ii) the Third-Party Claim would reasonably be expected to result in an

injunction or equitable relief against the Indemnified Party that would, in either case, have a material effect on the operation of the business of such Indemnified Party or any of its Affiliates, (iii) the Third-Party Claim would reasonably be expected to materially and adversely affect the reputation of the Indemnified Party or (iv) if such Third-Party Claim is subject to the provisions of Section 10.01(c)(ii), the amount of Losses reasonably estimated to be incurred pursuant to such Third-Party Claim (when combined with all other outstanding claims for indemnification subject to the provisions of Section 10.01(c)(ii) and any amount previously paid by the Indemnifying Party that applies towards the applicable cap under Section 10.01(c)(ii)(B)(3)) that are in excess of the applicable cap set forth in Section 10.01(c)(ii) would exceed the amount of Losses reasonably estimated to be incurred pursuant to such Third-Party Claim below such applicable cap.

(c) Subject to Section 10.02(b), in the event of a Third-Party Claim, the Indemnifying Party may elect to retain counsel reasonably acceptable to the Indemnified Parties to represent such Indemnified Parties in connection with such Action and shall pay the fees, charges and disbursements of such counsel. Subject to Section 10.02(b), if the Indemnifying Party so elects, the Indemnified Parties may participate, at their own expense and through legal counsel of their choice, in any such Action; provided that (i) the Indemnifying Party shall control the defense of the Indemnified Parties in connection with such Action and (ii) the Indemnified Parties and their counsel shall reasonably cooperate with the Indemnifying Party and its counsel in connection with such Action. The Indemnifying Party shall not settle any such Action without the relevant Indemnified Parties' prior written consent, unless the terms of such settlement (A) provide for no relief other than the payment of monetary damages, which damages are not (when combined with any amount previously paid by the Indemnifying Party that applies towards the applicable cap under Section 10.01(c)(ii)(B)(3)) materially in excess of the applicable cap set forth in Section 10.01(c)(ii), (B) involve no finding or admission of any breach or violation by any Indemnified Party and (C) include an express unconditional release of the Indemnified Party from all Liability arising from such Action. Notwithstanding the foregoing, if the Indemnifying Party elects not to retain counsel and assume control of such defense, then the Indemnified Parties shall retain counsel reasonably acceptable to the Indemnifying Party in connection with such Action and assume control of the defense in connection with such Action, and the fees, charges and disbursements of no more than one such counsel per jurisdiction selected by the Indemnified Parties shall be reimbursed by the Indemnifying Party. Under no circumstances will the Indemnifying Party have any liability in connection with any settlement of any Action that is entered into without its prior written consent (which shall not be unreasonably withheld).

(d) From and after the delivery of a Claim Notice, at the reasonable request of the Indemnifying Party, each Indemnified Party shall grant the Indemnifying Party and its counsel, experts and representatives full access, during normal business hours, to the books, records, personnel and properties of the Indemnified Party to the extent reasonably related to such Claim Notice at no cost to the Indemnifying Party (other than for reasonable out-of-pocket expenses of the Indemnified Parties).

SECTION 10.03. Special Indemnity.

(a) From and after the Closing, Seller shall indemnify and hold harmless the Purchaser Indemnified Persons from and against fifty percent (50%) of each Loss (but only to the extent such Losses constitute *bona fide* cash payments (for the avoidance of doubt, service credits shall not be deemed to be cash payments)) incurred by any of the Purchaser Indemnified Persons to the extent such Loss arises out of any of the matters set forth on Section 10.03(a) of the Seller Disclosure Schedule. For the avoidance of doubt, the Purchaser Indemnified Persons shall bear the remaining fifty percent (50%) of each Loss. This Section 10.03(a) shall constitute the exclusive remedy of Purchaser and the Purchaser Indemnified Persons in connection with the matters set forth on Section 10.03(a) of the Seller Disclosure Schedule.

(b) Seller shall have no obligation to indemnify under Section 10.03(a) unless and only to the extent that such Losses exceed in the aggregate \$4,000,000. From the Closing Date until the date that is eighteen (18) months after the Closing Date (the "**Preliminary Expiration Date**"), all indemnity payments made by Seller to Purchaser under Section 10.03(a) shall be subject to the cap set forth under Section 10.01(c)(ii)(B)(3). Following the Preliminary Expiration Date until the date that is sixty (60) months after the Closing Date (the "**Secondary Expiration Date**"), Seller shall have no obligation to indemnify under Section 10.03(a) to the extent the aggregate indemnification payments made by Seller for claims for indemnification under Section 10.03(a) during the period beginning on the Preliminary Expiration Date and ending on the Secondary Expiration Date exceed, in the aggregate, the lesser of (i) \$50,000,000 and (ii) the excess of \$125,000,000 over the sum of (A) the aggregate amount of indemnification payments made by Seller for claims for indemnification under Section 10.03(a) during the period beginning on the Closing Date and ending on the Preliminary Expiration Date and (B) the aggregate amount of indemnification payments made by Seller under Section 10.01(a)(i). Seller's obligation to indemnify for any Loss under Section 10.03(a) shall terminate as of the Secondary Expiration Date unless before such date Purchaser has provided Seller with an applicable Claim Notice in respect of such Loss.

(c) Any claim for indemnification under Section 10.03(a) shall be subject to the provisions of Section 10.02(a). Notwithstanding anything to the contrary contained in Section 10.02(b) or Section 10.02(c) or otherwise, with respect to any claim for indemnification under Section 10.03(a), Purchaser shall be entitled to participate in the defense of any Third Party Claim and shall be entitled to control the defense of such Third Party Claim and appoint lead counsel (which shall be reasonably acceptable to Seller) for such defense. If Purchaser shall assume the control of the defense of any such Third Party Claim in accordance with the provisions of this Section 10.03(a), (i) Purchaser shall keep Seller reasonably informed with respect to such Third Party Claim by providing Seller with reasonably detailed updates (x) of any material developments and (y) promptly (and in any event within five Business Days) after Seller's written request (which shall not be made more frequently than every sixty (60) days), in each case with respect to such Third Party Claim, and (ii) Seller shall be entitled to participate in the defense of such Third Party Claim and to employ separate counsel of its choice for such purpose at its own cost and expense. Purchaser shall not settle any such Third Party Claim under this Section 10.03 without Seller's written consent (not to be unreasonably withheld, conditioned or delayed).

SECTION 10.04. No Duplication; Exclusive Remedy.

(a) Any Liability for indemnification hereunder shall be determined without duplication of recovery by reason of the state of facts giving rise to such liability constituting a Transferred Asset, an Assumed Liability, an Excluded Asset or a Retained Liability, or a breach of more than one representation, warranty, covenant or agreement, as applicable.

(b) From and after the Closing, the exclusive remedy of Seller, the Seller Indemnified Persons, Purchaser and the Purchaser Indemnified Persons in connection with this Agreement and the transactions contemplated hereby (except with respect to the Intellectual Property Assignment Agreement, the ATLAS OCSF Software License Agreement, the Intellectual Property License Agreements, the Commercial Agreements, the Website Agreement and the Transition Services Agreement) (whether under this contract or arising under common law or any other Law) shall be as provided in Article VII and in this Article X; provided that nothing in this Section 10.04(b) shall operate to interfere with or impede the operation of the provisions of Section 2.09(b) or the rights of either party to seek equitable remedies to enforce Section 5.16 and Section 5.17. In furtherance of the foregoing, each of Purchaser, on behalf of itself and each other Purchaser Indemnified Person, and Seller, on behalf of itself and each other Seller Indemnified Person, hereby waives, from and after the Closing, to the fullest extent permitted under applicable Law, any and all rights, claims and causes of action (other than claims of, or causes of action arising from, intentional fraud) it may have against Seller or any of its Affiliates or representatives and Purchaser or any of its Affiliates or representatives, as the case may be, arising under or based upon this Agreement, any certificate delivered in connection herewith and the Bill of Sale and Assignment and Assumption Agreement (whether under this contract or arising under common law or any other Law (including rights of contribution or recovery under CERCLA, or otherwise available under any applicable Environmental Law)) (except pursuant to the indemnification provisions set forth in Article VII or in this Article X or elsewhere in any Transaction Document).

SECTION 10.05. Limitation on Set-off. Neither Purchaser nor Seller shall have any right to set off any unresolved indemnification claim pursuant to this Article X against any payment due pursuant to Article II.

SECTION 10.06. Mitigation. Purchaser and Seller shall cooperate with each other with respect to resolving any claim or liability with respect to which one party is obligated to indemnify the other party under this Article X, including by making commercially reasonable efforts to mitigate such claim or liability, whether by seeking claims against a third party, an insurer or otherwise.

SECTION 10.07. Potential Contributors. If an Indemnified Party receives any payment from an Indemnifying Party in respect of Losses and the Indemnified Party could have recovered all or a part of such Losses from a third party based on the underlying claim or demand asserted against such Indemnifying Party, then such Indemnified Party shall transfer, to the extent transferable, such of its rights to proceed against such third party as are necessary to permit such Indemnifying Party to recover from such third party the amount of such payment.

ARTICLE XI
GENERAL PROVISIONS

SECTION 11.01. Waiver. Either party may (a) extend the time for the performance of any of the obligations or other acts of the other party, (b) waive any inaccuracies in the representations and warranties of the other party contained herein or in any document delivered pursuant to this Agreement or (c) waive compliance by the other party with any of the agreements or conditions contained herein. Any such extension or waiver shall be valid only if set forth in an instrument in writing signed by the party to be bound thereby. Any failure to assert, or delay in the assertion of, rights under this Agreement shall not constitute a waiver of those rights.

SECTION 11.02. Expenses.

(a) Except as otherwise provided in this Agreement or the Ancillary Agreements, the parties shall bear their respective direct and indirect costs and expenses incurred in connection with the negotiation, preparation, execution and performance of this Agreement and the Transactions.

(b) Unless otherwise indicated, all dollar amounts stated in this Agreement are stated in U.S. currency and all payments required under this Agreement shall be paid in U.S. currency in immediately available funds.

SECTION 11.03. Notices. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be given or made (and shall be deemed to have been duly given or made upon receipt) by delivery in person, by overnight courier service, by facsimile or by registered or certified mail (postage prepaid, return receipt requested) to the respective Persons at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 11.03):

If to Seller:

VeriSign, Inc.
21355 Ridgetop Circle — Lakeside III
Dulles, VA 20166
Attention: General Counsel
Fax Number: (703) 450-7326

with copies (which shall not constitute notice) to:

Cleary Gottlieb Steen & Hamilton LLP
One Liberty Plaza
New York, NY 10006
Attention: Christopher E. Austin and Benet J. O'Reilly
Fax Number: (212) 225-3999

If to Purchaser:

Symantec Corporation
350 Ellis Street
Mountain View, CA 94043
Attention: General Counsel
Fax Number: (650) 527-5638

with a copy (which shall not constitute notice) to:

Davis Polk & Wardwell LLP
1600 El Camino Real
Menlo Park, CA 94025
Attention: Alan F. Denenberg and Martin A. Wellington
Fax Number: (650) 752-2111

SECTION 11.04. Headings. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

SECTION 11.05. Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any applicable Law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not fundamentally changed. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

SECTION 11.06. Entire Agreement. This Agreement, together with the Ancillary Agreements and the Confidentiality Agreement, constitute the entire agreement of the parties with respect to the subject matter hereof and supersede all prior agreements and undertakings, both written and oral, between Seller and Purchaser with respect to the subject matter hereof and thereof.

SECTION 11.07. Assignment. Neither party may directly or indirectly transfer any of its rights or delegate any of its obligations hereunder without the prior written consent of the other party; *provided, however*, that Purchaser may assign its rights and obligations hereunder, in whole or in part, to any of its Subsidiary without the consent of Seller in a manner consistent with Section 2.01(e) provided that no such assignment shall relieve Purchaser of any liability to Seller hereunder. Any purported transfer or delegation in violation of this Section 11.07 shall be null and void.

SECTION 11.08. No Third-Party Beneficiaries. Except for the rights of the Purchaser Indemnified Persons and Seller Indemnified Persons under Article VII and Article X, this Agreement is for the sole benefit of the parties and their permitted assigns and nothing

herein, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

SECTION 11.09. Amendment. This Agreement may not be amended or modified except by an instrument in writing signed by the parties.

SECTION 11.10. Governing Law; Submission to Jurisdiction; Waiver of Jury Trial.

(a) Any questions, claims, disputes, remedies or Actions arising from or related to this Agreement, and any relief or remedies sought by any parties hereunder, shall be governed exclusively by the laws of the State of New York, without regard to any conflict of laws provisions thereof that would result in the application of the laws of another jurisdiction.

(b) To the fullest extent permitted by applicable Law, each party hereto (i) agrees that any claim, action or proceeding by such party seeking any relief whatsoever arising out of, or in connection with, this Agreement or the transactions contemplated hereby shall be brought only in the courts of the State of New York in the County of New York or the United States District Court for the Southern District of New York, and not in any other State or Federal court in the United States of America or any court in any other country, (ii) agrees to submit to the exclusive jurisdiction of such courts located in New York for purposes of all legal proceedings arising out of, or in connection with, this Agreement or the transactions contemplated hereby, (iii) waives and agrees not to assert any objection that it may now or hereafter have to the laying of the venue of any such Action brought in such a court or any claim that any such Action brought in such a court has been brought in an inconvenient forum, (iv) agrees that mailing of process or other papers in connection with any such action or proceeding in the manner provided in Section 11.03 or any other manner as may be permitted by Law shall be valid and sufficient service thereof, and (v) agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by applicable Law. The preceding sentence shall not limit the jurisdiction of the Accounting Arbitrator set forth in Section 2.04, although claims described in the preceding sentence may be asserted in such courts for purposes of enforcing the jurisdiction and judgments of the Accounting Arbitrator.

(c) Each party hereby waives, to the fullest extent permitted by applicable Law, any right it may have to a trial by jury in respect of any litigation directly or indirectly arising out of, under or in connection with this Agreement, any Ancillary Agreement or the Transactions. Each party (i) certifies that no representative, agent or attorney of any other party has represented, expressly or otherwise, that such other party would not, in the event of litigation, seek to enforce the foregoing waiver and (ii) acknowledges that it and the other parties hereto have been induced to enter into this Agreement and the Ancillary Agreements, as applicable, by, among other things, the mutual waivers and certifications in this Section 11.10.

SECTION 11.11. Counterparts. This Agreement may be executed in one or more counterparts, and by the different parties in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the

same agreement. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or email shall be as effective as delivery of a manually executed counterpart of this Agreement.

SECTION 11.12. No Presumption. The parties to this Agreement agree that this Agreement was negotiated fairly between them at arm's length and that the final terms of this Agreement are the product of the parties' negotiations. Each party represents and warrants that it has sought and received experienced legal counsel of its own choosing with regard to the contents of this Agreement and the rights and obligations affected hereby. The parties agree that this Agreement shall be deemed to have been jointly and equally drafted by them, and that the provisions of this Agreement therefore should not be construed against a party or parties on the grounds that the party or parties drafted or was more responsible for drafting the provisions.

SECTION 11.13. Availability of Equitable Relief. The parties hereto agree that irreparable damage would occur in the event that any provision of this Agreement were not performed in accordance with the terms hereof. Accordingly, prior to the termination of this Agreement pursuant to Article IX, in the event of any breach or threatened breach by a party of its obligations under this Agreement prior to the Closing, the affected party shall be entitled to seek equitable relief (including specific performance of the terms hereof) without prejudice to any other rights or remedies that may otherwise be available to such other party. Each party hereby waives any requirement for the securing or posting of a bond in connection with seeking any such equitable relief.

SECTION 11.14. Time of Essence. Each of the parties hereto hereby agrees that, with regard to all dates and time periods set forth or referred to in this Agreement, time is of the essence.

SECTION 11.15. Construction of Agreements. Notwithstanding any other provisions in this Agreement to the contrary, in the event and to the extent that there shall be a conflict between the provisions of this Agreement and the provisions of any Ancillary Agreement entered into by Seller and Purchaser pursuant to this Agreement, the provisions of this Agreement shall control (unless the Ancillary Agreement explicitly provides otherwise).

IN WITNESS WHEREOF, Seller and Purchaser have caused this Agreement to be executed as of the date first written above by duly authorized persons.

VERISIGN, INC.

By: /s/ Kevin Werner

Name: Kevin Werner

Title: SVP, Corporate Development and Strategy

SYMANTEC CORPORATION

By: /s/ Enrique Salem

Name: Enrique Salem

Title: President and CEO

List of Schedules and Exhibits to Acquisition Agreement

The following is a list of the exhibits and schedules to the Acquisition Agreement by and between VeriSign, Inc. and Symantec Corporation, which schedules and exhibits have been omitted from this Exhibit 2.01 pursuant to Item 601(b)(2) of Regulation S-K. Symantec undertakes to furnish supplementally to the SEC, upon request, a copy of any omitted schedule or exhibit.

Exhibits

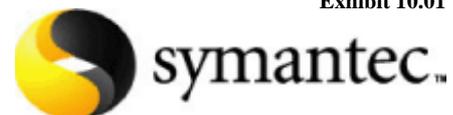
| | |
|-----------|---|
| Exhibit A | ATLAS OCSP Software License Agreement |
| Exhibit B | Bill of Sale and Assignment and Assumption Agreements |
| Exhibit C | Commercial Agreements |
| Exhibit D | Intellectual Property Assignment Agreements |
| Exhibit E | Intellectual Property License Agreement |
| Exhibit F | Current Asset and Current Liability Accounts Included in the Modified Working Capital; Calculation Principles; Estimated Modified Working Capital |
| Exhibit G | Product and Services Extensions |
| Exhibit H | Transition Services Agreement |
| Exhibit I | Trademark License Agreement |
| Exhibit J | Website Agreement |
| Exhibit K | Employment Offer Exceptions |
| Exhibit L | Preliminary Acquisition Structure |

Schedules

| | |
|--------------------|-------------------------------|
| Schedule 1.01(i) | Assumed In-Licenses |
| Schedule 1.01(ii) | Business Exclusions |
| Schedule 1.01(iii) | Companies and VeriSign Japan |
| Schedule 1.01(iv) | Company Intellectual Property |
| Schedule 1.01(v) | Employees |

| | |
|------------------------|---|
| Schedule 1.01(vi) | Excluded Employees |
| Schedule 1.01(vii) | Key Employees |
| Schedule 1.01(viii) | Seller's Knowledge |
| Schedule 1.01(ix) | Owned Real Property |
| Schedule 1.01(x) | Permitted Liens |
| Schedule 1.01(xi) | Shared Software |
| Schedule 1.01(xii) | Shared Software Exclusions |
| Schedule 1.01(xiii) | Transferred Equipment |
| Schedule 1.01(xiv) | Transferred Intellectual Property |
| Schedule 1.01(xv) | Transferred Software |
| Schedule 2.01(a)(ii) | Additional Securities |
| Schedule 2.01(b)(xiii) | Excluded Assets |
| Schedule 2.02(a)(vii) | Assumed Liabilities |
| Schedule 3.01 | Organization and Good Standing |
| Schedule 3.02 | Authority |
| Schedule 3.03 | No Conflict; Consents and Approvals |
| Schedule 3.04 | Capitalization; Title to Shares; Equity Interests |
| Schedule 3.05 | Financial Information |
| Schedule 3.06 | Absence of Certain Changes or Events |
| Schedule 3.07 | Absence of Litigation |
| Schedule 3.08 | Compliance with Laws |
| Schedule 3.09 | Sufficiency and Ownership of Assets |
| Schedule 3.10 | Real Property |
| Schedule 3.11 | Employee Matters |
| Schedule 3.12 | Environmental Matters |

| | |
|-------------------|---|
| Schedule 3.13 | Material Contracts |
| Schedule 3.14 | Brokers |
| Schedule 3.15 | Intellectual Property |
| Schedule 3.16 | Taxes |
| Schedule 3.17 | Certain Business Practices |
| Schedule 3.18 | Products; Services |
| Schedule 3.19 | Insurance Coverage |
| Schedule 3.20 | VeriSign Japan |
| Schedule 3.21 | Officers and Directors |
| Schedule 5.01(c) | Conduct of Business Prior to the Closing |
| Schedule 5.13(b) | Use of Seller's Trademarks and Logos |
| Schedule 6.01 | Offers and Terms of Employment |
| Schedule 6.01(f) | Information Related to Terminated Transferred Employees |
| Schedule 6.02 | Assumption of Liabilities |
| Schedule 8.01(a) | Government Approvals |
| Schedule 10.03(a) | Special Indemnification |



**FY11 Executive Annual Incentive Plan
Chief Executive Officer**

This Annual Incentive Plan ("Plan") of Symantec Corporation ("Symantec") is effective as of April 3, 2010. The Board of Directors reserves the right to alter or cancel all or any portion of the Plan for any reason at any time.

FY11 Executive Annual Incentive Compensation Plan

| | |
|------------------------|--|
| Job Category: | Chief Executive Officer |
| Purpose: | Provide critical focus on specific, measurable corporate goals and provide performance-based compensation based upon the level of attainment of such goals. |
| Bonus Target: | The target incentive bonus for this position is 150% of the annual base salary. Annual base salary has been established at the beginning of the fiscal year. Bonuses will be paid based on actual annual base salary earnings from time of eligibility under the Plan through April 1, 2011. Payments will be subject to applicable payroll taxes and withholdings. |
| Bonus Payments: | The annual incentive bonus will be paid once annually. Payment will be made within six weeks after the end of the fiscal year but in the event the amount cannot be calculated within such six weeks in no event may payments be made later than 2-1/2 (two and a half) months after the end of the fiscal year. Any payment due under this Plan is at the sole discretion of the Administrator of the Plan. |
| Components: | Two performance metrics will be used to determine the annual incentive bonus payment as determined by the Administrator. |

| <i>Metric</i> | <i>Weighting</i> |
|------------------------------|-------------------------|
| Corporate Revenue | 50% |
| Corporate Earnings per Share | 50% |

The Company's reported numbers are based on GAAP Corporate Revenue & non-GAAP EPS results.

| | |
|------------------------------|---|
| Achievement Schedule: | The established threshold must be exceeded for the applicable performance metric before the bonus applicable to such performance metric will be paid. Both Corporate Revenue and Corporate EPS achievements are capped. |
| Pro-ration: | The calculation of the annual incentive bonus will be based on eligible base salary earnings for the fiscal year and, subject to the eligibility requirements below, will be pro-rated based on the number of days the participant is employed as a regular status employee of Symantec during the fiscal year. |
| Eligibility: | <p>Participants must be regular status employees on the day bonus checks are distributed. If the Company grants an interim payment for any reason, the participant must be a regular status employee at the end of that performance period in order to receive such payment. A participant who leaves before the end of the fiscal year will not be eligible to receive the annual incentive bonus or any pro-rated portion thereof. The Plan participant must be a regular status employee of Symantec at the end of the fiscal year in order to be eligible to receive the annual incentive bonus <u>and</u> at the time the bonus checks are distributed, unless otherwise determined by the Administrator.</p> <p>To be eligible for the plan in the given fiscal year, participants must be in an eligible position for at least 60 days before the end of the plan year. Employees hired or promoted into an eligible position with less than 60 days in the plan year will join the annual bonus plan in the next fiscal year.</p> |
| Exchange Rates: | The performance metrics targets will not be adjusted for any fluctuating currency exchange rates. |

Target Changes: In the event of an accretive event, such as a stock buyback, or other events that might have an effect on the revenue or EPS targets of the Company, such as acquisition or purchase of products or technology, the Administrator may at its discretion adjust the Revenue Growth and/or Earnings per Share to reflect the potential impact upon Symantec's financial performance.

Restatement of Financial Results: If the Company's financial statements are the subject of a restatement due to error or misconduct, to the extent permitted by governing law, in all appropriate cases, the Company will seek reimbursement of excess incentive cash compensation paid under the Plan. For purposes of this Plan, excess incentive cash compensation means the positive difference, if any, between (i) the incentive bonus paid and (ii) the incentive bonus that would have been made had the performance metrics been calculated based on the Company's financial statements as restated. The Company will not be required to award Participant an additional Payment should the restated financial statements result in a higher bonus calculation.

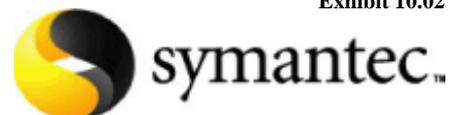
Plan Provisions: This Plan is adopted under the Symantec Senior Executive Incentive Plan as amended and restated as of September 22, 2008 and approved by Symantec's stockholders on September 22, 2008.

This Plan supersedes the FY10 Executive Annual Incentive Plan dated April 4, 2009, which is null and void as of the adoption of this Plan.

Participation in the Plan does not guarantee participation in other or future incentive plans. Plan structures and participation will be determined on a year-to-year basis.

The Board of Directors reserves the right to alter or cancel all or any portion of the Plan for any reason at any time. The Plan shall be administered by the Compensation Committee of the Board of Directors (the "Administrator"), and the Administrator shall have all powers and discretion necessary or appropriate to administer and interpret the Plan.

The Board of Directors reserves the right to exercise its own judgment with regard to company performance in light of events outside the control of management and/or participant.



**FY11 Executive Annual Incentive Plan
Executive Vice President & Group President — 90%**

This Annual Incentive Plan ("Plan") of Symantec Corporation ("Symantec") is effective as of April 2, 2010. The Board of Directors reserves the right to alter or cancel all or any portion of the Plan for any reason at any time.

FY11 Executive Annual Incentive Compensation Plan

Job Category: Executive Vice President and Group President

Purpose: Provide critical focus on specific, measurable corporate and division goals and provide performance-based compensation based upon the level of attainment of such goals.

Bonus Target: The target incentive bonus for this job category is 90% of the annual salary. Annual base salary has been established at the beginning of the fiscal year. Bonuses will be paid based on actual annual base salary earnings from time of eligibility under the Plan through April 1, 2011. Payments will be subject to applicable payroll taxes and withholdings.

Bonus Payments: The annual incentive bonus will be paid once annually. Payment will be made within six weeks after the end of the fiscal year but in the event the amount cannot be calculated within such six weeks in no event may payments be made later than 2-1/2 (two and a half) months after the end of the fiscal year. Any payment due under this Plan is at the sole discretion of the Administrator of the Plan.

Components: Three performance metrics will be used to determine the annual incentive bonus payment as determined by the Administrator. The company's reported numbers are based on GAAP Corporate Revenue & non-GAAP EPS results. The Individual Performance metric is evaluated based on the individual's Victory Plan results. The President & CEO and the Board of Directors reserve the right to determine final payout level for the individual performance metric.

| <i>Metric</i> | <i>Weighting</i> |
|---|------------------|
| Corporate Revenue | 50% |
| Corporate Earnings per Share | 20% |
| Individual Performance/Victory Plan Results | 30% |

Achievement Schedule: The established threshold must be exceeded for the applicable performance metric before the bonus applicable to such performance metric will be paid. All three metrics are capped.

Pro-ration: The calculation of the annual incentive bonus will be based on eligible base salary earnings for the fiscal year and, subject to the eligibility requirements below, will be pro-rated based on the number of days the participant is employed as a regular status employee of Symantec during the fiscal year.

Eligibility: Participants must be regular status employees on the day bonus checks are distributed. If the company grants an interim payment for any reason, the participant must be a regular status employee at the end of that performance period in order to receive such payment. A participant who leaves before the end of the fiscal year will not be eligible to receive the annual incentive bonus or any pro-rated portion thereof. The Plan participant must be a regular status employee of Symantec at the end of the fiscal year in order to be eligible to receive the annual incentive bonus and at the time the bonus checks are distributed, unless otherwise determined by the Administrator.

To be eligible for the plan in the given fiscal year, participants must be in an eligible position for at least 60 days before the end of the plan year. Employees hired or promoted into an eligible position with less than 60 days in the plan year will join the annual bonus plan in the next fiscal year.

Exchange Rates: The performance metrics targets will not be adjusted for any fluctuating currency exchange rates.

Target Changes: In the event of an accretive event, such as a stock buyback, or other events that might have an effect on the revenue or EPS targets of the Company, such as acquisition or purchase of products or technology, the Administrator may at its discretion adjust the Revenue Growth and Earnings per Share metrics to reflect the potential impact upon Symantec's financial performance.

Restatement of Financial Results: If the Company's financial statements are the subject of a restatement due to error or misconduct, to the extent permitted by governing law, in all appropriate cases, the Company will seek reimbursement of excess incentive cash compensation paid under the Plan. For purposes of this Plan, excess incentive cash compensation means the positive difference, if any, between (i) the incentive bonus paid and (ii) the incentive bonus that would have been made had the performance metrics been calculated based on the Company's financial statements as restated. The Company will not be required to award Participant an additional Payment should the restated financial statements result in a higher bonus calculation.

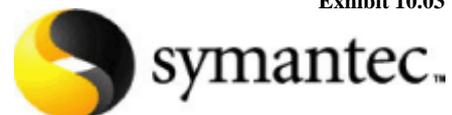
Plan Provisions: This Plan is adopted under the Symantec Senior Executive Incentive Plan as amended and restated as of September 22, 2008 and approved by Symantec's stockholders on September 22, 2008.

This Plan supersedes the FY10 Executive Annual Incentive Plan dated April 4, 2009, which is null and void as of the adoption of this Plan.

Participation in the Plan does not guarantee participation in other or future incentive plans. Plan structures and participation will be determined on a year-to-year basis.

The Board of Directors reserves the right to alter or cancel all or any portion of the Plan for any reason at any time. The Plan shall be administered by the Compensation Committee of the Board of Directors (the "Administrator"), and the Administrator shall have all powers and discretion necessary or appropriate to administer and interpret the Plan.

The Board of Directors reserves the right to exercise its own judgment with regard to company performance in light of events outside the control of management and/or participant.



**FY11 Executive Annual Incentive Plan
Executive Vice President & Group President**

This Annual Incentive Plan ("Plan") of Symantec Corporation ("Symantec") is effective as of April 2, 2010. The Board of Directors reserves the right to alter or cancel all or any portion of the Plan for any reason at any time.

FY11 Executive Annual Incentive Compensation Plan

Job Category: Executive Vice President and Group President

Purpose: Provide critical focus on specific, measurable corporate and division goals and provide performance-based compensation based upon the level of attainment of such goals.

Bonus Target: The target incentive bonus for this job category is 80% of the annual salary. Annual base salary has been established at the beginning of the fiscal year. Bonuses will be paid based on actual annual base salary earnings from time of eligibility under the Plan through April 1, 2011. Payments will be subject to applicable payroll taxes and withholdings.

Bonus Payments: The annual incentive bonus will be paid once annually. Payment will be made within six weeks after the end of the fiscal year but in the event the amount cannot be calculated within such six weeks in no event may payments be made later than 2-1/2 (two and a half) months after the end of the fiscal year. Any payment due under this Plan is at the sole discretion of the Administrator of the Plan.

Components: Three performance metrics will be used to determine the annual incentive bonus payment as determined by the Administrator. The company's reported numbers are based on GAAP Corporate Revenue & non-GAAP EPS results. The Individual Performance metric is evaluated based on the individual's Victory Plan results. The President & CEO and the Board of Directors reserve the right to determine final payout level for the individual performance metric.

| <i>Metric</i> | <i>Weighting</i> |
|---|------------------|
| Corporate Revenue | 50% |
| Corporate Earnings per Share | 20% |
| Individual Performance/Victory Plan Results | 30% |

Achievement Schedule: The established threshold must be exceeded for the applicable performance metric before the bonus applicable to such performance metric will be paid. All three metrics are capped.

Pro-ration: The calculation of the annual incentive bonus will be based on eligible base salary earnings for the fiscal year and, subject to the eligibility requirements below, will be pro-rated based on the number of days the participant is employed as a regular status employee of Symantec during the fiscal year.

Eligibility: Participants must be regular status employees on the day bonus checks are distributed. If the company grants an interim payment for any reason, the participant must be a regular status employee at the end of that performance period in order to receive such payment. A participant who leaves before the end of the fiscal year will not be eligible to receive the annual incentive bonus or any pro-rated portion thereof. The Plan participant must be a regular status employee of Symantec at the end of the fiscal year in order to be eligible to receive the annual incentive bonus and at the time the bonus checks are distributed, unless otherwise determined by the Administrator.

To be eligible for the plan in the given fiscal year, participants must be in an eligible position for at least 60 days before the end of the plan year. Employees hired or promoted into an eligible position with less than 60 days in the plan year will join the annual bonus plan in the next fiscal year.

Exchange Rates: The performance metrics targets will not be adjusted for any fluctuating currency exchange rates.

Target Changes: In the event of an accretive event, such as a stock buyback, or other events that might have an effect on the revenue or EPS targets of the Company, such as acquisition or purchase of products or technology, the Administrator may at its discretion adjust the Revenue Growth and Earnings per Share metrics to reflect the potential impact upon Symantec's financial performance.

Restatement of Financial Results: If the Company's financial statements are the subject of a restatement due to error or misconduct, to the extent permitted by governing law, in all appropriate cases, the Company will seek reimbursement of excess incentive cash compensation paid under the Plan. For purposes of this Plan, excess incentive cash compensation means the positive difference, if any, between (i) the incentive bonus paid and (ii) the incentive bonus that would have been made had the performance metrics been calculated based on the Company's financial statements as restated. The Company will not be required to award Participant an additional Payment should the restated financial statements result in a higher bonus calculation.

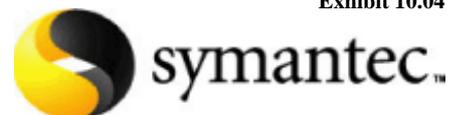
Plan Provisions: This Plan is adopted under the Symantec Senior Executive Incentive Plan as amended and restated as of September 22, 2008 and approved by Symantec's stockholders on September 22, 2008.

This Plan supersedes the FY10 Executive Annual Incentive Plan dated April 4, 2009, which is null and void as of the adoption of this Plan.

Participation in the Plan does not guarantee participation in other or future incentive plans. Plan structures and participation will be determined on a year-to-year basis.

The Board of Directors reserves the right to alter or cancel all or any portion of the Plan for any reason at any time. The Plan shall be administered by the Compensation Committee of the Board of Directors (the "Administrator"), and the Administrator shall have all powers and discretion necessary or appropriate to administer and interpret the Plan.

The Board of Directors reserves the right to exercise its own judgment with regard to company performance in light of events outside the control of management and/or participant.



**FY2011 Long Term Incentive Plan
(LTIP)**

This Long Term Incentive Plan ("LTIP") of Symantec Corporation ("Symantec" or the "Company") is effective as of April 3, 2010. The Board of Directors reserves the right to alter or cancel all or any portion of the LTIP for any reason at any time.

FY2011 Long Term Incentive Plan

- Purpose:** Provide critical focus on specific, measurable corporate goals and provide performance-based compensation based upon the level of attainment of such goals and ensure retention of key executives of the Company.
- Amount:** LTIP target cash payments (“LTIP Payments”) will be determined and approved by the Compensation Committee of the Company’s Board of Directors (the “Committee”), with input from the CEO and Chairman of the Board. LTIP Payments will be determined and paid based on the actual achievement of the performance metric set forth below against the target performance metric under the LTIP for the Company’s fiscal year ending April 2, 2011 in which Target LTIP Awards are granted under this LTIP (the “Performance Period”). All LTIP Payments will be subject to the Company’s collection of applicable payroll taxes and withholdings, and the Participant will only receive the net amount remaining after such taxes and withholdings have been collected.
- Eligibility:** Participants shall be at levels of senior vice president or above, and shall be recommended for eligibility by the CEO and the Chairman of the Board and approved by the Committee prior to the end of the Performance Period (individually, a “Participant” and, collectively, the “Participants”). Participants must be in an eligible position for at least 60 days before the end of the Performance Period. Employees hired or promoted into an eligible position with less than 60 days remaining in the Performance Period will not be eligible for an LTIP Payment. The calculation of the LTIP Payment for a Participant that becomes eligible during the Performance Period will be pro-rated based on the number of days the Participant is in an eligible position during the Performance Period.
- Service Requirement:** The long-term incentive will be measured at the end of the Performance Period. However, no Participant shall earn or accrue any right to the long-term incentive based on the level of performance metric attained for the Performance Period unless that individual remains in the continuous active employ of the Company (or any majority or greater owned subsidiary) through the last day of the second (2nd) fiscal year following the end of the Performance Period (the Requisite Service Period). Upon the completion of the Requisite Service Period, the incentive bonus earned on the basis of both the attained performance metric and the completed service period will be paid (the “Payment Date”). However, any payment due under this LTIP is at the sole discretion of the Committee. A Participant (or any majority or greater owned subsidiary) terminates for any reason before his or her completion of the Requisite Service Period will not be eligible to receive the LTIP Payment or any prorated portion thereof, except to the limited extent set forth below.
- Performance Metric:** The Company’s Operating Cash Flow achievement for the Performance Period against target Operating Cash Flow for the Performance Period will be used to determine the eligibility for an LTIP Payment. “Operating Cash Flow” is determined based on the Company’s budgeted cash flow and is equal to the operating cash flow that is communicated to public investors via filings with the Securities and Exchange Commission, but Operating Cash Flow metric for the Performance Period shall in all events be established within the first ninety (90) days of the Performance Period.
- Achievement Schedule:** A 100% LTIP Payment will be paid to the Participant who completes the Requisite Service Period if 100% of budgeted Operating Cash Flow is attained with respect to the Performance Period (the “Target LTIP Award”). The Target LTIP Awards shall be set forth on a schedule approved by the Committee within 90 days of the beginning of the Performance Period. A Participant who completes the Requisite Service Period is eligible for 25% of the Target LTIP Award if at least 85% of budgeted Operating Cash Flow is attained with respect to the Performance Period and for 200% of the Target LTIP Award if at least 120% of budgeted Operating Cash Flow is attained with respect to the
-

Performance Period. Achievement of budgeted Operating Cash Flow between 85% and 200% will be prorated. Achievement of budgeted Operating Cash Flow shall be certified by the Committee ("Certification") following the end of the Performance Period and prior to the Payment Date or any alternative date of payment.

Death Disability
Involuntary
Termination:

If a Participant's employment with the Company (or any majority or greater owned subsidiary) terminates by reason of death, total and permanent disability or an involuntary termination other than for cause (as defined below) after the last day of the Performance Period but prior to the completion of the Requisite Service Period, then that Participant shall be entitled to payment of a prorated portion of the LTIP Payment that would have otherwise been payable to the Participant based on the actual level at which the Operating Cash Flow performance metric is attained, had he or she completed the Requisite Service Period (the "Base Amount"). The prorated portion shall be calculated by multiplying the Base Amount by a fraction, the numerator of which is the number of calendar months rounded up to the next whole month the Participant was in the employ of the Company (or any majority or greater owned subsidiary) during the period commencing with the start of the Performance Period and ending with his or her termination date, and the denominator of which is thirty-six (36) months. Such prorated amount shall be paid to the Participant on his or her termination date or as soon as administratively practicable thereafter, but in no event later than the fifteenth (15th) day of the third (3rd) calendar month following such termination date. In no event, however, will any prorated LTIP Payment be made to the Participant if the applicable Operating Cash Flow performance metric is not attained at a level at or above the 85% threshold level or if the Participant voluntarily leaves the employ of the Company (or any majority or greater owned subsidiary) prior to the completion of the Requisite Service Period.

For purposes of the foregoing, an individual will be deemed to have been involuntarily terminated for cause, and thus ineligible for any prorated LTIP Payment if such individual is discharged or dismissed from employment for one or more of the following reasons or actions:

(i) gross negligence or willful misconduct in the performance of duties to the Company (other than as a result of a disability) that has resulted or is likely to result in substantial and material damage to the Company, after a demand for substantial performance is delivered by the Company which specifically identifies the manner in which it believes the individual has not substantially performed his/her duties and provides the individual with a reasonable opportunity to cure any alleged gross negligence or willful misconduct; (ii) commission of any act of fraud with respect to the Company or its affiliates; or (iii) conviction of a felony or a crime involving moral turpitude causing material harm to the business and affairs of the Company.

Leave of Absence:

In the event a Participant takes a leave of absence from the Company after the end of the Performance Period but prior to the completion of the Requisite Service Period, the type of leave and time away from the Company may be taken into consideration as the basis for a prorated LTIP Payment determined in the sole discretion of the Committee, with any such prorated LTIP Payment to be based on such Participant's period of active employment during the period commencing with the start of the Performance Period and ending with the last day of the Requisite Service Period, but excluding the period of such leave of absence. Any such prorated amount shall be paid to the Participant on the Payment Date or such earlier date as may be necessary to avoid a deferred compensation arrangement under Section 409A of the Internal Revenue Code. In no event, however, will any such prorated LTIP payment be made to the Participant if the applicable Operating Cash Flow performance metric is not attained at a level at or above the 85% threshold level.

| | |
|-----------------------------------|--|
| Exchange Rates: | Neither LTIP Payments nor Operating Cash Flow will be adjusted for any fluctuating currency exchange rates. |
| Adjustments: | In the event of an accretive event, such as a stock buyback, or other events that might have an effect on the Operating Cash Flow, such as an acquisition or purchase of products or technology, the Committee may at its discretion adjust the Operating Cash Flow to reflect the potential impact upon the Company's financial performance consistent with generally accepted accounting principals and Accounting Principles Board Opinion No. 30. |
| Change of Control: | In the event of a Change of Control of the Company (as defined in the Company's Executive Retention Plan) (i) all unpaid LTIP Payments for the Performance Period (where the Performance Period has been completed and Certification has occurred prior to the Change of Control) and (ii) all Target LTIP Awards for the Performance Period (where the Performance Period has not been completed and Certification has not occurred prior to the Change of Control) whether or not 100% budgeted Operating Cash Flow has been attained for such Performance Period, shall be paid in full on the Change of Control. |
| LTIP Provisions: | <p>This LTIP is adopted under the Symantec Senior Executive Incentive Plan as amended and restated as of September 22, 2008 and approved by Symantec's stockholders on September 22, 2008.</p> <p>Participation in the LTIP does not guarantee participation in other or future incentive plans. LTIP structures and participation will be determined on a year-to-year basis.</p> <p>The Company's Board of Directors reserves the right to alter or cancel all or any portion of the LTIP for any reason at any time. The LTIP shall be administered by the Committee and the Committee shall have all powers and discretion necessary or appropriate to administer and interpret the LTIP.</p> <p>The Company's Board of Directors reserves the right to modify or amend this LTIP or a Target LTIP Award under this LTIP with regard to Company performance in light of events outside the control of management and/or Participant.</p> |
| Section 409A: | The payment provisions are designed to qualify for the short-term deferral exception to Section 409A of the Internal Revenue Code. Accordingly, for Participants who complete the Requisite Service Period requirement, the Payment Date shall occur within two and one-half (2 1/2) months following the completion of the Requisite Service Period. For Participants who become entitled to a prorated LTIP Payment upon the termination of their employment by reason of death, disability or involuntary termination other than for cause, the payment will be made within two and one-half (2 1/2) months following their termination date. LTIP Payments shall be payable solely from the general assets of the Company. |
| Restatement of Financial Results: | If the Company's financial statements are the subject of a restatement due to error or misconduct, to the extent permitted by governing law, in all appropriate cases, the Company will seek reimbursement of excess incentive cash compensation paid under the LTIP to Participants for the Performance Period covered by such financial statements. For purposes of this LTIP, excess incentive cash compensation means the positive difference, if any, between (i) the LTIP Payment paid to each Participant and (ii) the LTIP Payment that would have been made to that Participant had the Operating Cash Flow performance metric been calculated based on the Company's financial statements as restated. The Company will not be required to award any Participant an additional LTIP Payment should the restated financial statements result in a higher LTIP Payment. |
| No Employment Rights: | A Participant's employment with the Company shall be as an "at will" employee. Nothing in the LTIP shall either confer upon any Participant the right to continue in the employ of the Company or interfere with or restrict in any way the rights of the Company |

to discharge or change the terms of employment (or of any employment agreement) of any Participant at any time for any reason whatsoever, with or without cause.

Governing Law:

This LTIP shall be governed by the laws of the State of California.

Certification

I, Enrique Salem, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Symantec Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 4, 2010

/s/ Enrique Salem

Enrique Salem

President and Chief Executive Officer

Certification

I, James A. Beer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Symantec Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 4, 2010

/s/ James A. Beer

James A. Beer

Executive Vice President and Chief Financial Officer

**Certification Pursuant to
18 U.S.C. Section 1350, as adopted pursuant to
Section 906 of the Sarbanes–Oxley Act of 2002**

I, Enrique Salem, President and Chief Executive Officer of Symantec Corporation (the “Company”), do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes–Oxley Act of 2002, that, to my knowledge: (i) the Company’s quarterly report on Form 10–Q for the period ended July 2, 2010, to which this Certification is attached (the “Form 10–Q”), fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934, as amended, and (ii) the information contained in the Form 10–Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 4, 2010

/s/ Enrique Salem

Enrique Salem

President and Chief Executive Officer

This Certification which accompanies the Form 10–Q is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Form 10–Q), irrespective of any general incorporation language contained in such filing.

**Certification Pursuant to
18 U.S.C. Section 1350, as adopted pursuant to
Section 906 of the Sarbanes–Oxley Act of 2002**

I, James A. Beer, Executive Vice President and Chief Financial Officer of Symantec Corporation (the “Company”), do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes–Oxley Act of 2002, that, to my knowledge: (i) the Company’s quarterly report on Form 10–Q for the period ended July 2, 2010, to which this Certification is attached (the “Form 10–Q”), fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934, as amended, and (ii) the information contained in the Form 10–Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 4, 2010

/s/ James A. Beer

James A. Beer

Executive Vice President and Chief Financial Officer

This Certification which accompanies the Form 10–Q is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Form 10–Q), irrespective of any general incorporation language contained in such filing.